

FOREIGN FIRMS IN SA - Italian
Italian

From

1977 — 1985

69

SAME het groot planne in Suid-Afrika

Same-klappert 11/12/77



MNR. HERBIE CULLIS ... wil bedryfskoste snoei.

Deur JAN BREYTENBACH

SAME, sewende grootste trekkerfabrikant ter wêreld, het stappe gedoen wat die bedryfskoste van sy trekkers in Suid-Afrika volgende jaar aansienlik kan verlaag.

Die besparing in bedryfskoste wil Same bewerkstellig deur uitgebreider diens aan klante. „Vir eers wil ons soveel tegniese kennis as moontlik ter beskikking van die Same-handelaars stel,” sê mnr. Herbie Cullis, bemarkingsbestuurder van SALT, die maatskappy wat die trekkers uit Italië invoer.

Die skool in Durban waar vakmanne intensiewe opleiding in die werking van hierdie soort trekker kan kry, sal vergroot word.

„Maar in 'n opleidingskool kom jy nie al die boerse probleme teen nie. Dit verskil van streek tot streek. In Suid-Afrika breek dinge wat in ander lande end-uit hou. Daarom gaan Same ook opleiding ter plaatse in hierdie streekprobleme gee,” sê mnr. Cullis.

„'n Suid-Afrikaanse boer hou dikwels 'n hele reeks trekkers aan sonder dat die plaas ook 'n afdeling vir

instandhouding het. In Europa sou die plaas so 'n afdeling hê.

„In die nuwe jaar gaan Same die daaglikse teenspoed probeer voorkom met voorligting oor instandhouding, tegniese inligting en tegniese onderlig. Dit behoort die bedryfskoste van ons trekkers aansienlik te verlaag.”

Die maatskappy se vasberadenheid om 'n beeld van diens aan die klant op te bou, blyk daaruit dat een van Same se topfabrieksmanne, mnr. Pepe Zambelli, nou permanent in Suid-Afrika gevestig is.

'n Ander rigting wat baie aandag gaan kry, is 4-wielaandrywing. „Ons was eerste in die veld en ons gaan dit nog doeltreffender maak,” belowe mnr. Cullis.

„Vierwielaandrywing is steeds die belangrikste aspek van trekkerontwikkeling omdat brandstof daardeur soveel voordeliger gebruik word. Ses jaar gelede was hier te lande net vyf modelle met 4-wielaandrywing. Vandag het die getal aangegroei tot

34 modelle.”

Vroeg in 1978 bring Same drie nuwe modelle, almal met 4-wielaandrywing, op die mark. Hulle is die Tiger van 100 pk. (R18 200); Drago 120 van 116 pk. (R22 000); en die Buffalo 130 van 120 pk. (R23 500). Die pryse is plus belasting.

Volgens mnr. Cullis is die perdekragspatroon vir trekkers aan die verander. Boere is geneig om trekkers met 'n hoë perdekrags te koop. Hulle doen dit egter dikwels vir prestige en nie vir produksie nie. Of hulle koop nie die regte implemente vir die trekker nie.

Mnr. Cullis dink nie dat daar 'n groot toekoms vir die trekkers met die baie hoë perdekrags is nie. Sy maatskappy probeer eerder doeltreffendheid met perdekrags koppel.

Volgens mnr. Cullis het die trekkermark die afgelope jaar verbeter. Aan die einde van Oktober het verkope reeds die totale verkope vir 1976 verbygesteek en toe het November en Desember nog voorgelê.

Oor die moontlikheid van 'n eie trekkerfabriek vir Suid-Afrika, is Same baie versigtig. 'n Mens kan jou maklik vasloop in 'n onbuigsame vervaardigingspatroon en dan sit jy noodwendig jarelank met verouderde modelle.

Die maatskappy het geen planne om 'n trekkerfabriek hier te begin nie. Pleks daarvan word alle aandag toegespits op die uitbouing van SALT (Same Lamborghini Tractor Agencies (Pty) Ltd) die filiaal wat sedert Mei vanjaar Same se sake in Suid-Afrika behartig.

SALT is baie bewus van die noodsaaklikheid dat die tuislande in hul eie voedselbehoefte moet voorsien. Met die oog hierop het die maatskappy reeds samesprekinge aangeknoop met Transkei, Ciskei en Kwa-Zulu en met ander tuislande sal daar ook gesels word.

Wanneer die tuislande genoeg kos vir hul eie behoeftes produseer, sal Suid-Afrika in staat wees om meer kos na sy noordelike bure uit te voer. En dit sal nog baie jare Suid-Afrika wees wat hierdie lande moet help voed, meen mnr. Cullis.

Car giant pumps R10-m into SA

Harvey Thomas,
Motor Editor

The Italian motor giant, Fiat, is to inject R10-million into its South African subsidiary in a bid to im-

prove its share of the local new-car market. "For the last few years South Africa has been a critical area for us," said Dr Adolfo Morelli, deputy export director of Fiat Automobiles, Turin. "We had to take the decision

whether to stay in this country or to get out. We have decided to stay.

"We sent a study group to South Africa to find out what was wrong and we make no mystery about the fact that the group's findings clearly reveal that if Fiat continued at the existing pace it would find itself out of the market."

Dr Morelli, speaking in Johannesburg last night, announced a crash programme to improve Fiat's position in South Africa.

● The injection of capital over a measured period of time.

● A major management restructure with a task force brought in from various Fiat operations around the world. "These are all men who have proved themselves in difficult situations."

● A new model which will be announced next year.

● A commitment in principle to far greater participation in motor sport, both racing and rally. "Our problem is that our cars lack an image," said Dr Morelli.

The importation in limited quantities of the Fiat's XI/9 sports car.

11/67
11/67

The Italian connection

To assume that the current Fiat/Alfa talks, or even last year's discussions between Toyota and Peugeot/Citroën, foreshadow the departure from the scene of any one of SA's 12 manufacturers would be totally wrong. It's all part of widespread discussions within the industry on either joint manufacture or parts manufacture. Nothing more.

Indeed, it would be a damn sight harder to find a manufacturer who *isn't* either considering parts manufacture or even strengthening existing ties with a competitor.

In the case of the current Fiat/Alfa talks all that is happening is that Fiat is guarding against a situation, possibly a year hence, where it will be strapped for production capacity.

Last year Fiat produced 6 767 units at its R20m Rosslyn plant. That plant has a practical capacity of 10 000 units and an all-out ceiling of 12 000 units/year. "We expect," says Fiat MD Gian Carlo Barsotti, that the total passenger car market will this year climb to around 180 000 from last year's 166 000 or so."

Fiat is, therefore, anticipating year end passenger car sales of something like 9 000 units. Added to which it's introducing a 128 bakkie and is looking to sell 3 000 of them in a sector which it predicts will total 73 000 this year (70 400 last year).

Thus, if its predictions are realised it'll be right up against its production ceiling and will need any extra facility that Alfa can provide. Of course, Fiat might be being over-optimistic but Barsotti is clearly covering his options.

Nonetheless, Alfa will be hoping that Fiat's confidence is not mis-placed. Last year it produced 3 916 units at its R30m Brits plant. The plant has capacity of 10 000 units a year and has no problem with the most usual of bottlenecks — the paint shop.

Alfa is itself projecting unit sales of

between 5 000 6 000 this year and that includes a possible new product launch — the 1 400/1 600cc Giulietta. Thus, even if it's right it will have capacity in hand.

But while the taking up of assembly slack is only a possibility for Alfa this year the probability of parts manufacture is much stronger. MD Dr Vito Bianco tells the *FM* that such is the strength of his machine shop capability that he would love to diversify into, say, the manufacture of washing machines or any other type of consumer durable for that matter.

Realistic compromise

However, a far more realistic compromise is to stay with the business that Alfa knows best and to strengthen parts manufacturing interests. This includes the manufacture of flywheels, disc brakes, shafts and so on for such as Datsun, BMW and, of course, Fiat.

Not only that but Alfa may well be assembling commercials for Datsun and Fiat in the not too-distant future. It could all be part of the trend whereby companies such as Alfa actually set up a holding company to embrace car manufacture as such on the one hand and an engineering facility on the other (such as Datsun's Steelmobile). Alfa, surely, cannot be alone in having sophisticated machine tooling with spare capacity when set against existing production car runs.

Not only that but the day cannot be far off when companies actually go for a greater degree of common parts usage. Such examples would be in non-appearance items as Fiat's and Alfa's seat frames, handbrakes and so on. Nor the day when companies set up joint purchasing operations such as that currently between Datsun and Toyota.

One thing is for certain. This year will see far more discussion in the Fiat/Alfa vein.



DIE Italiaanse trekker vervaardiger, SAME, het groot planne vir sy Suid-Afrikaanse filiaal. Op die foto links is dr. Donato Giovagnini, direkteur van uitvoerbemarking van SAME in Italië, saam met die nuwé hoofbestuurder van SAME (Suid-Afrika), dr. Massimo Bianchi.

SAME GAAN NOG VERDER UITBREI

RAPPORT 16/4/78

69

Deur ALPHONS DU TOIT

WAT die toekoms van die Suid-Afrikaanse landbou betref, is die Italiaanse trekkervervaardiger, SAME, vol vertroue en het planne aangekondig om sy plaaslike bedrywighede te versterk en uit te brei.

'n Uitbreidingsprogram van drie jaar is gefinaliseer en SAME is voornemens om binne dié tydperk sy aandeel van die Suid-Afrikaanse mark tot 5 persent op te stoot. Die mark bestaan uit elf maatskappye wat altesaam veertien verskillende fabrikate verteenwoordig.

Dr. Donato Giovagnini, direkteur van uitvoerbemarking van die moedermaatskappy, het aan Sake-Rapport gesê dat dr. Massimo Bianchi aangestel is as hoofbestuurder van die plaaslike filiaal, SAME Lamborghini Tractor Agencies (South Africa).

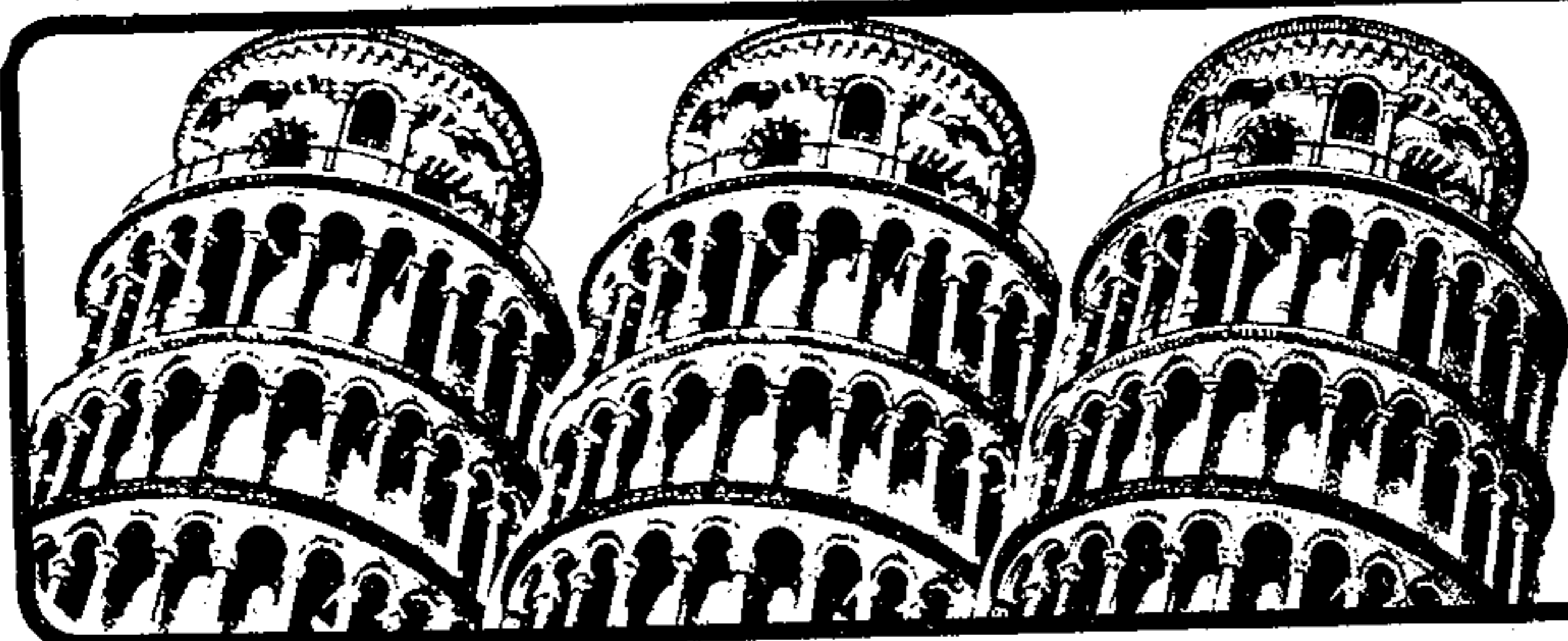
Dié maatskappy gaan binnekort sy bedrywighede aan die Witwatersrand sentraliseer. Op die oomblik word die trekkers in Dur-

ban gemonteer, terwyl die hoofkantoor in Johannesburg is.

Volgens dr. Giovagnini, is die feit dat die SAME-trekker vierwiel-aangedrewe is een van die belangrikste eienskappe in sy ontwerp. Die beginsel van vierwiel-aandrewing word al hoe meer deur ander trekkervervaardigers aanvaar, weens sy groter doeltreffendheid.

SAME se Suid-Afrikaanse filiaal is 'n jaar gelede gestig en verteenwoordig reeds 'n belegging van meer as R1 miljoen. Hierdie belegging sal deur die uitbreidingsprogram aansienlik verhoog word.

Met die aankoop van die Lamborghini- en H e u r l i m a n n-trekkerfabrieke is die moedermaatskappy nou sewende op die wêreld-ranglys. Dit voer sy produkte na 90 lande uit, en besit bedryfs-filiale in Duitsland, Frankryk, Spanje, Amerika, Australië en Suid-Afrika.



ITALY

Edited by Geoffrey Berridge

Italy gives SA an export boost

ITALY is the sixth largest exporter of commodities to South Africa and, in turn, the ninth largest customer — resulting in a balance of trade that, last year, was almost R1-billion in the favour of South Africa.

Actual figures show that 1978 improved measurably over the previous year, and a total R7,27-billion of exports went to Italy against a return of R6,27-billion in imports.

Italy's dependence on base metals and minerals is self-evident.

Last year South Africa supplied over R56,2-million worth, and over R53-million in minerals — the two highest exports.

Textiles grossed more than R34-million and hides — needed for a hungry Italian leather goods industry — exceeded R29-million.

By far the biggest item among South African imports from Italy was machinery, amounting to almost R85-million out of a total import bill, in this commodity group, of R2,1-billion.

Vehicles, highlighting the interests of Italy in the South African car, truck tractor market, came third

with R54,7-million out of R1,3-billion.

The last two items of imports from Italy of any size were textiles (R19,6-million out of a total R362-million), and chemicals (R13,6-million out of R651-million).

These figures, which exclude South African imports of armaments and gold exports, show that although Italy's exports to South Africa increased by R1-billion last year, imports from South Africa improved by about R1,4-billion.

This indicates a notable improvement in Italy's awareness of what South Africa has to offer, as well as its potential as a market for Italian goods.

Prospects for growth in two-way trade are better

Growth prospects better than ever

than they have ever been, for a number of reasons.

First is the increase in South African imports of machinery and machine tools.

These have doubled and have prompted local franchise holders to hold a machine tool exhibition in Johannesburg early next year.

Even greater penetration is expected in this area, with the ongoing needs of Sasol, the Atlantis diesel engine plant, and growth in the general manufacturing sector.

Italian companies investing in South Africa have penetrated deep into the business, computer, machinery, transportation and related industries.

There are about 50 com-

panies that are notable in size, and it is expected that the Financial Rand, coupled with the expected economic recovery, will attract considerably more attention from Italian industrialists in the 1980s.

Conversely, and from South Africa's point of view the next thing in importance, is the potential for local companies to set up manufacturing subsidiaries in Italy as a launching pad for trade with the European Economic Community, and the Far East.

Currently, the Italian laws relating to foreign investments hold certain promise.

Anyone residing outside Italy who invests capital in

the founding of "productive enterprise or in the enlargement of those already in action", may transfer, without limits, the dividends and profits earned, as well as subsequent realised capital.

A second rule states that any foreign capital brought into Italy that is not intended for the founding of productive enterprises or expansion of others already in action, are limited in terms of transfer back to the country of origin, to not more than 8% of the invested capital.

The transfer of subsequently realised capital cannot exceed the amount of the originally imported value — and not before the expiry of two years.

Both rules are applicable, also in the case of the original investor ceding totally, or partially, business acquired in Italy to aliens or to Italian citizens residing abroad.

No convention actually exists between Italy and South Africa in terms of taxation, and it is assumed that double taxation may apply unless dispensation is obtained.

Alfa Romeo Giulietta has supercar attributes

WILL Alfa Romeo win comparable awards in South Africa for its Giulietta — Europe's current Car of the Year?

Just launched in South Africa, the Giulietta has all the specifications that today's supercars need.

It has the new Alfa "L" series 1,8 litre twin camshaft engine, driving a five-speed gearbox to give a claimed

petrol consumption of less than 7 litres/100km at 90 km/h.

It has space inside equal to that of a much bigger family sedan, and a boot to match. Dr Vito Bianco, chief executive, sums up: "This is the most important car we have introduced in South Africa.

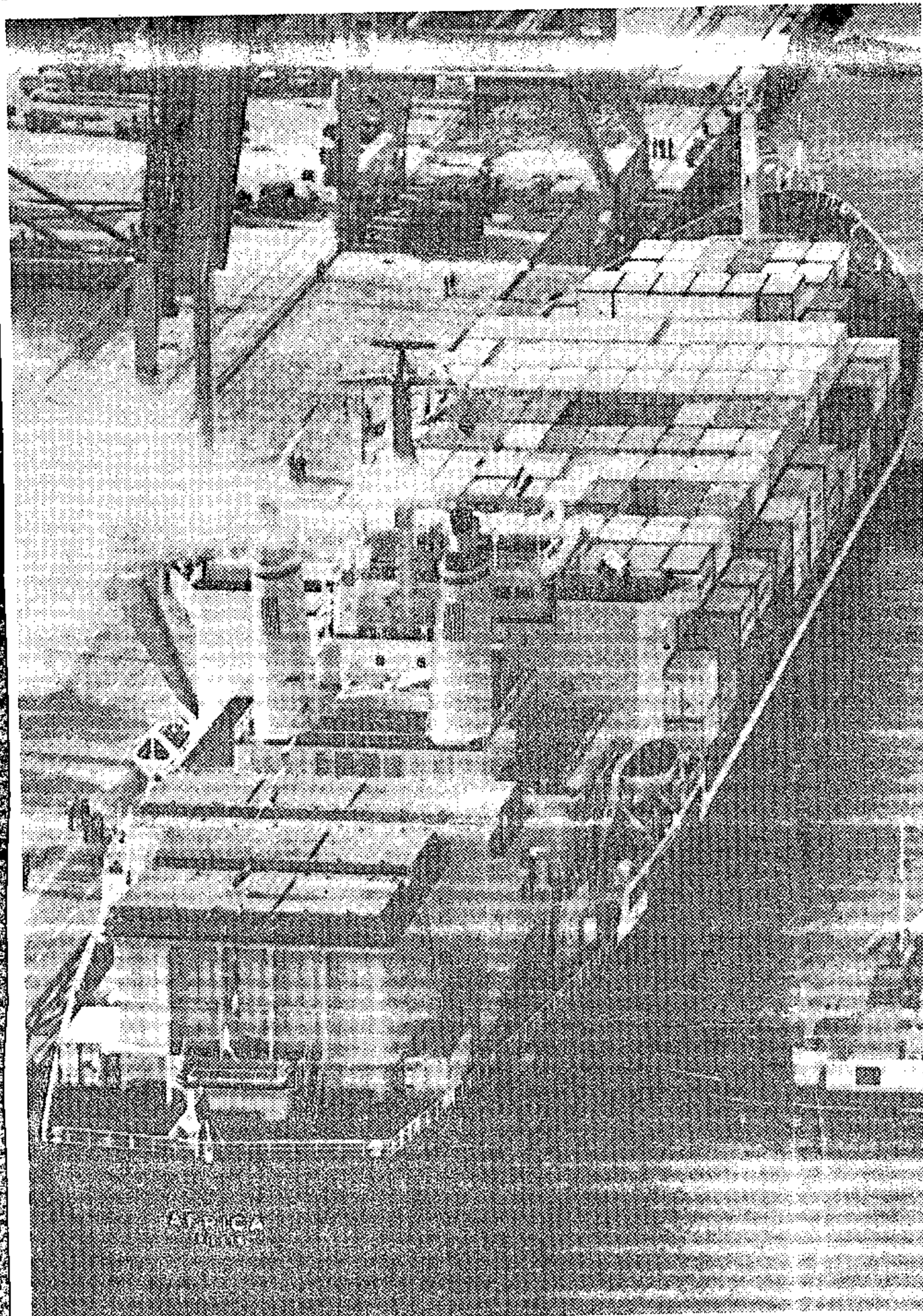
"We are confident when we say that

this is the car that is an intelligent answer to our energy problems. It has been computer-designed to provide minimum wind resistance, has compact dimensions and yet is more spacious inside and with a bigger boot than some cars prices far higher."

The "L" series motor replaces the 1,6 litre engine used in Europe, and is

slightly re-engineered to provide better pulling power at low revolutions. This means that the fifth gear is a genuine top — as distinct from being an over-drive.

Designers expect that the Giulietta will have enough torque to pull the car over almost any hill in top gear, and yet have a maximum speed of 180 km/h.



The Africa, owned by Lloyd Triestino, saw South Africa's container era in with this first load taken on at the Ben Schoeman container terminal two years ago this month.

Lloyd Triestino welcomes increase in Med cargoes

A SURGE in exports to Italy has brought a welcome improvement in the utilisation of shipping tonnage operated by Lloyd Triestino, now loading at between 95% and 100% of available capacity.

The line has a two-thirds allocation of shipping plying between South Africa and the Mediterranean, the remainder being taken by Safmarine. And while both report full holds, shipping along the northwest runs are only 50% full.

The French, although having no vessel operating at the moment, are also in on the Mediterranean pool.

The pool is currently operating 27 500 gross tonnage, representing in excess of 1 300 containers, and distributed among three ships — The Africa, The Europa (both owned by Lloyd Triestino), and Langeberg (Safmarine).

Main cargoes are deciduous, citrus, frozen fish and meat. Meat also goes to Spain and Greece, while Spain, France and Italy take South African squid. This is considered a great delicacy and can be ordered actually from our restaurant menu.

Other cargoes are mainly asbestos, copper hides, skins and wool.

"At the moment the only trouble we have is with strikes in Europe," says Hans Model, owner's representative.

"Containers are undoubted-

ly a big help here because we can offload at Genoa, instead of Fos, which is the port for Marseilles, and where there is a strike at the moment. Containers then go overland without any problems," he said.

The other problem, this time a healthy one, is that of limited shipping capacity.

Lloyd Triestino is currently mulling over a decision either to put on more ships, especially for refrigerated cargoes; transfer one of the refrigerated ships from the northwest route; or increase the refrigerated capacity of existing ships.

It can also replace a small ship with a large one but, whichever way, a decision will need to be taken before year-end.

"The biggest development on our run has been the introduction of container traffic. Compared with today, and this applies to all lines, shipping operations were much more haphazard.

"Taking an average 17 000 tons per vessel we are now shipping 34 000 tons a month against between 18 000 and 20 000 tons, previously.

"The past year has shown an improvement that looks like continuing into 1980 and beyond," said Mr Model.

Lloyd Triestino is at the moment having to ship excess cargo via the northwest route, railing back to Italy through Rotterdam.

Determined efforts to lure 'selective' South African tourists

TWO years ago tourism was Italy's biggest single source of income — a year in which 98 000 South African citizens visited the country.

Having no minerals or natural resources to speak of, Italy is heavily dependent on its natural scenery, long coastlines fronting the Mediterranean and Adriatic, and history to attract the tourist.

South Africa has an estimated travelling public of 10-million people, a relatively big market which the

Italian Tourist Office is now making determined efforts to tap.

"We find that when a South African comes to Italy he is often visiting four or five countries. England is the first destination and Italy lies somewhere second or third.

"He will take in four or five cities in Europe and then move into France," said a spokesman for the

Italian Tourist Office.

South Africans are among the better travellers, which means they stay at good hotels and generally make use of the top level tourist facilities.

"He visits the better restaurants and is very selective. A lot of Europeans, by contrast, stay at pensions and bring their own food with them, travelling on budgets that South Africans

probably exceed when they stay at home."

And the traffic is not only one way. The number of Italians visiting South Africa increased from 3 400 in 1969 to a peak of 10 700 in 1975. Since then, there has been a drop, with the trough of 7 100 being recorded in 1977. Last year there was a recovery to 8 700.

The decline in 1976 is attributed to riots in Soweto

and the general worsening economic climate. The latter might also affect this year's results, but it is too early yet to say.

South African passport holders visiting Italy slipped back last year to 88 800.

Against a tourist population of over 42-million, that puts South Africa down at something like 0,2% of the total.

But it's a percentage that the local tourist office predicts will increase.

'No race bar' — but Bantu signs all over

MR D J VAN TONDER, personnel manager at Alfa Romeo SA — an Italian company — insists that there is complete integration at their Brits factory . . .

But wherever we went we saw signs like: "Bantu Toilets", "Bantu Personnel Officer" and "Whites Only".

And throughout the interview Mr van Tonder referred to blacks as natives.

He also told POST that the 50c an hour minimum the company pays compares well with that of other car manufacturers. But this is the lowest minimum among the car manufacturers POST has visited since November last year.

POST's Job Watch team was taken to lunch at an all-white canteen. We saw amazed faces showing beyond doubt that we were intruding on sacred "white" ground.

There is a canteen for blacks that Mr van Tonder says is subsidised.

"Our workers are free to use the canteen they like," he says, "but the majority prefer the subsidised one."

Toilets at the company are also segregated. We asked Mr van Tonder about the segregatory signs and he said they were just old signs from the days when the company started.

pension, long service allowance, overtime and life insurance.

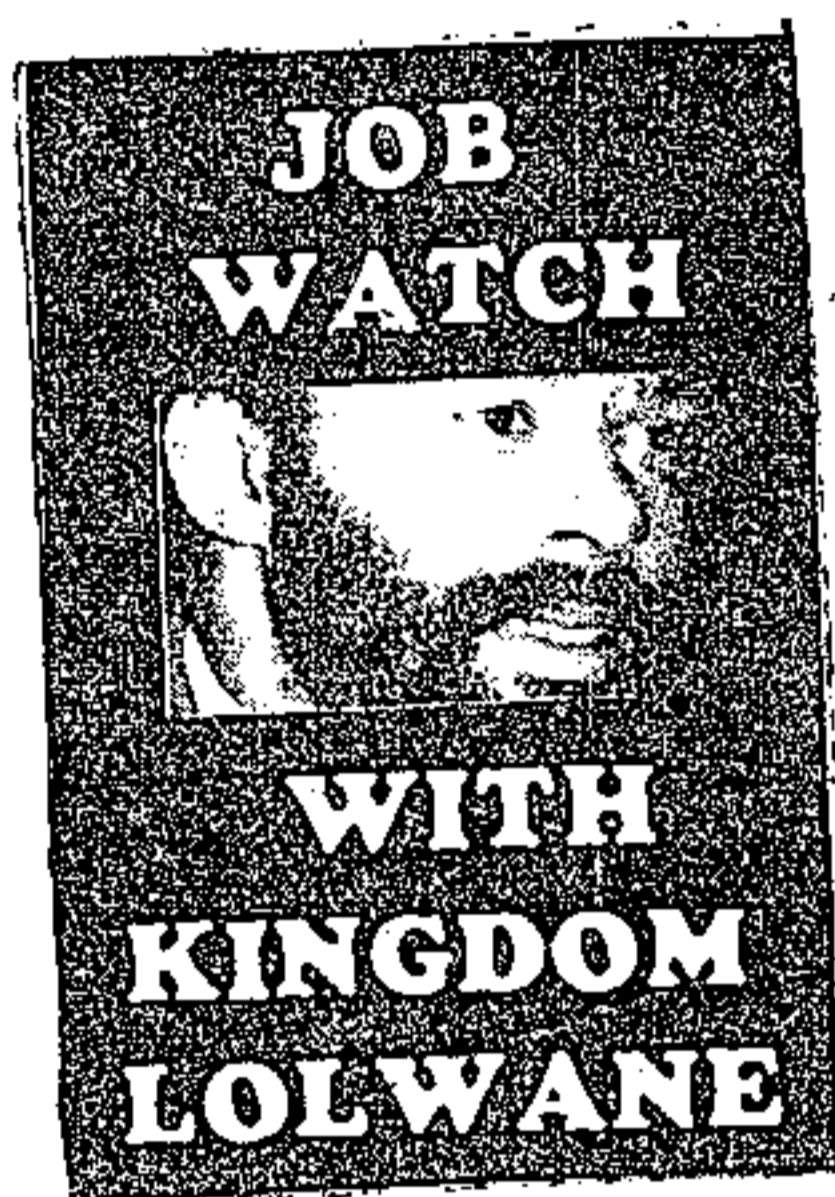
There are 100 blacks and no whites on this minimum. The least paid white earns R230 a month.

"We try and adjust our salaries in line with those of other motor companies," Mr van Tonder added.

The ECC code lays down a minimum pay of 50 per cent above the "minimum level required to satisfy the basic needs of an employee and his family."

In April this year the University of Port Elizabeth's Institute of Planning Research calculated the Minimum Living Level (MLL) for a family of six in Brits at R147,38 a month.

Alfa Romeo is thus paying R50,95 less than the MLL and R124,67 less than



what the EEC code urges them to pay.

The company negotiates with its black workers through a works council. The council consists of eight worker representatives and five management representatives. These meet once a month to discuss employment practices.

For whites the company

recognises the all-white unions in the iron steel, engineering and metallurgical industries.

POST: What is your attitude to black trade unions?

Mr van Tonder: We have nothing against blacks forming a trade union. But our workers still do not know what trade unions are all about. Our works council explained to them they were free to join a trade union of their own choice.

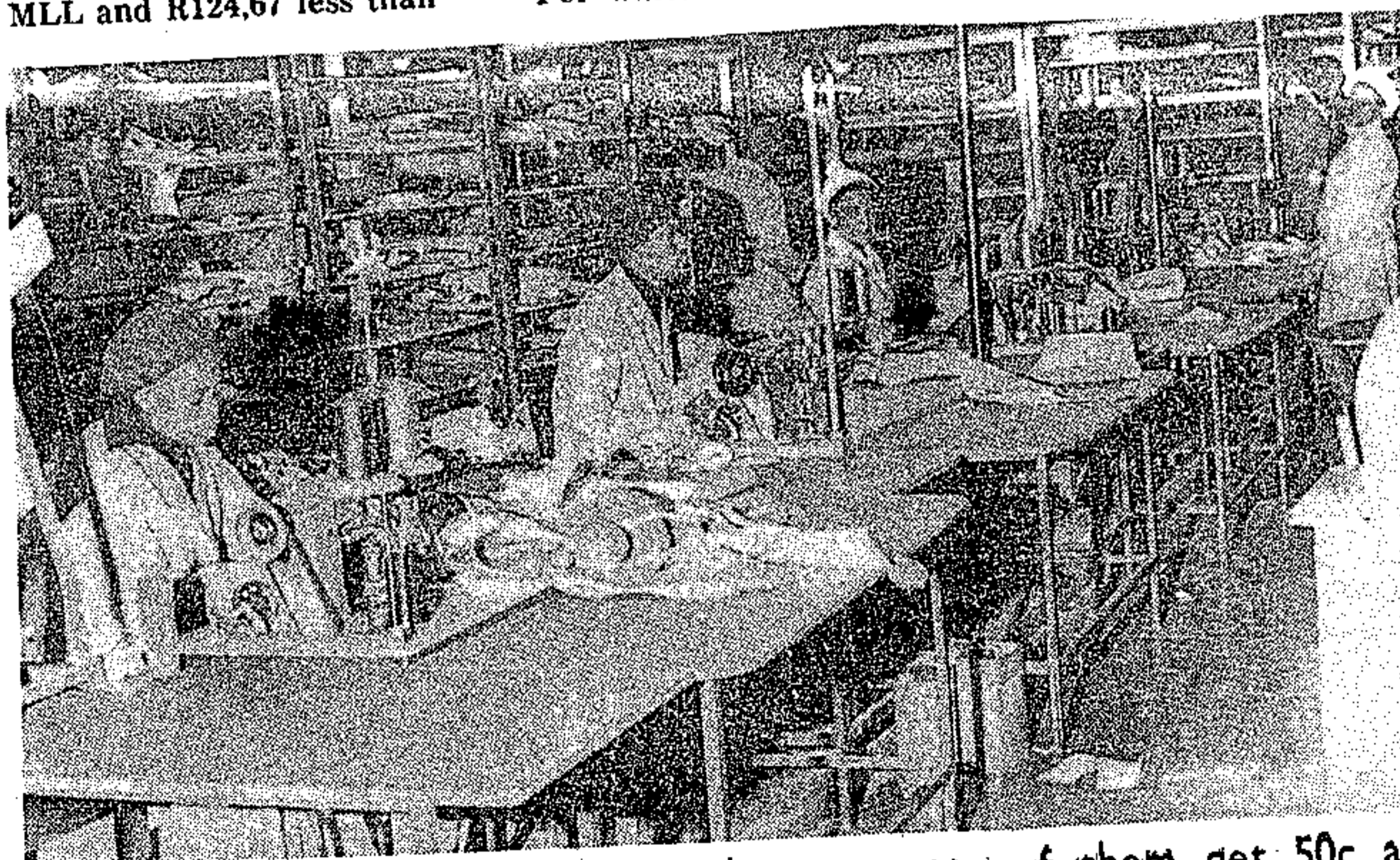
The company has not as yet been approached by a trade union for recognition.

What is the company doing to upgrade its black staff?

Mr van Tonder says they conduct on-the-job training courses for their workers upon employment. They also teach them to read and write.



Mr D J van Tonder, personnel manager at Alfa Romeo . . . "Our workers still do not know what trade unions are all about."



Alfa's black employees at work . . . some of them get 50c an hour.

Four workers we spoke to told us apartheid was practised by Alfa Romeo, one of the companies that should be subscribing to the EEC code. We were refused permission to take pictures of the segregatory signs. Alfa Romeo employs 670 Africans, 141 whites and 10 coloureds. The company's 50c an hour minimum works Mr van Tonder says the minimum pay does not include fringe benefits such as attendance bonus.

SPM) (P) (L)

Fiat is failing

'HISTORICAL' WAGES GAP AND SEPARATE CANTEENS, TOILETS

FOR ALL that Fiat (SA), the Italian car manufacturers, is doing, the EEC code for companies with interests in South Africa might as well not have been written.

The code says they should pay a minimum wage that "should initially exceed by at least 50 percent the minimum level required to satisfy the basic needs of an employee and his family".

The personnel controller at their Rosslyn, Pretoria, plant, Mr A Franz, said the company was striving towards the R248 minimum required by the code.

At the moment the company pays a minimum of 70c an hour, which works out to R136,50 a month.

The least paid white earns R350 a month.

"The present wage gap is historical," Mr D Gonella, the plant manager, told us.

"Now we are trying to narrow it. Every time we give an increase to blacks, we give a lower percentage increase to whites."

In April this year, the minimum pay at the plant was increased from 65c an hour to 70c. At the end of the month, it goes up another 10 percent to 77c. This will bring it to R150,15 a month—still far below the minimum required by the code.

The code says: "In so far as it lies within their own competence, employers should do everything possible to abolish any practice of segregation, notably at the workplace, and in canteens, sports activities, education and training."

The canteens are segregated. So are the change rooms.

"We have limited space here," says Mr Gonella. "People go to lunch in three shifts — that is how serious the situation is"

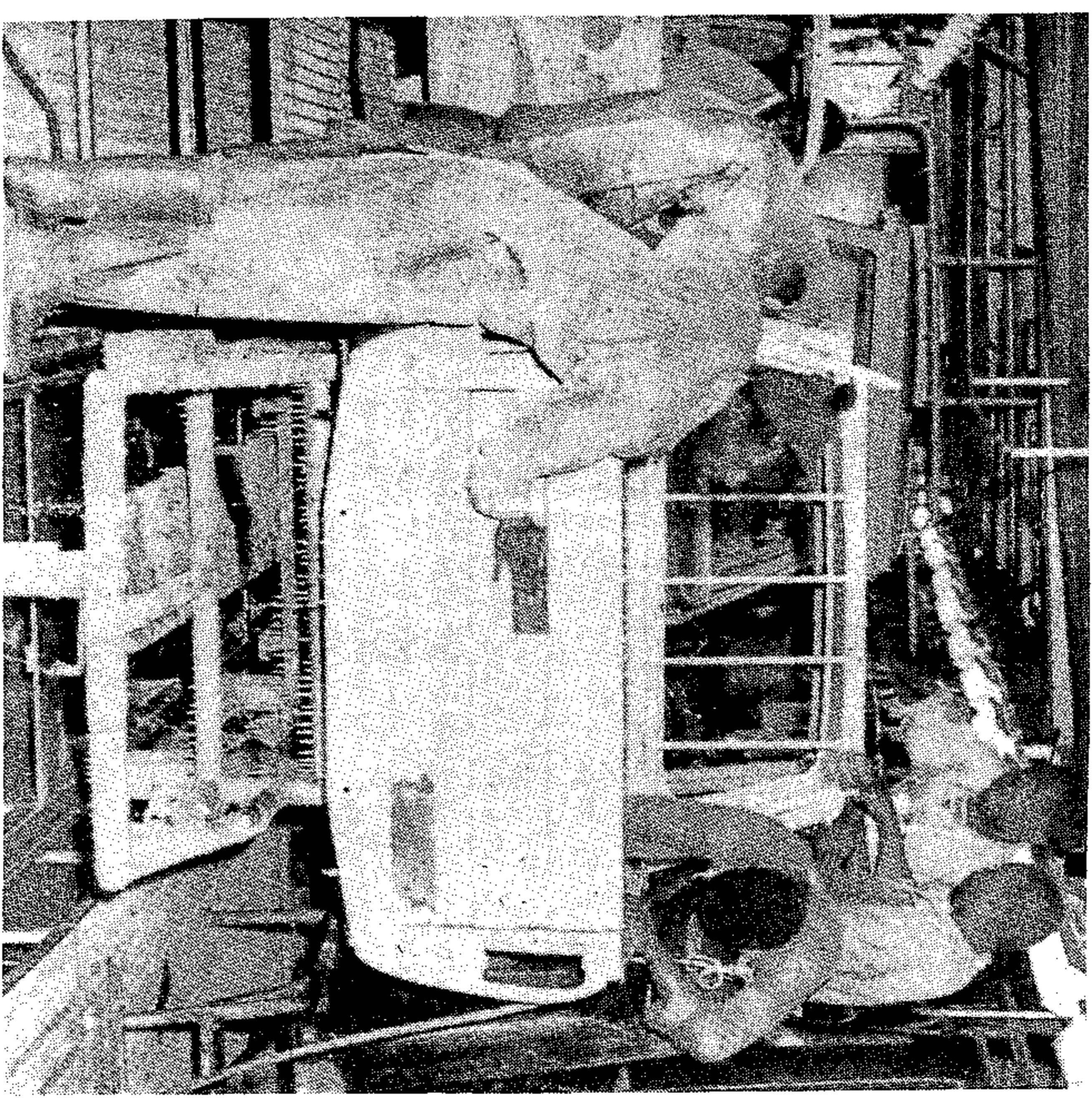
He said that the question of integration had not even come up for consideration at the plant.

"We have had separate facilities from inception."

The code says: "Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organisations which are freely elected and representative of employees are part of company policy."

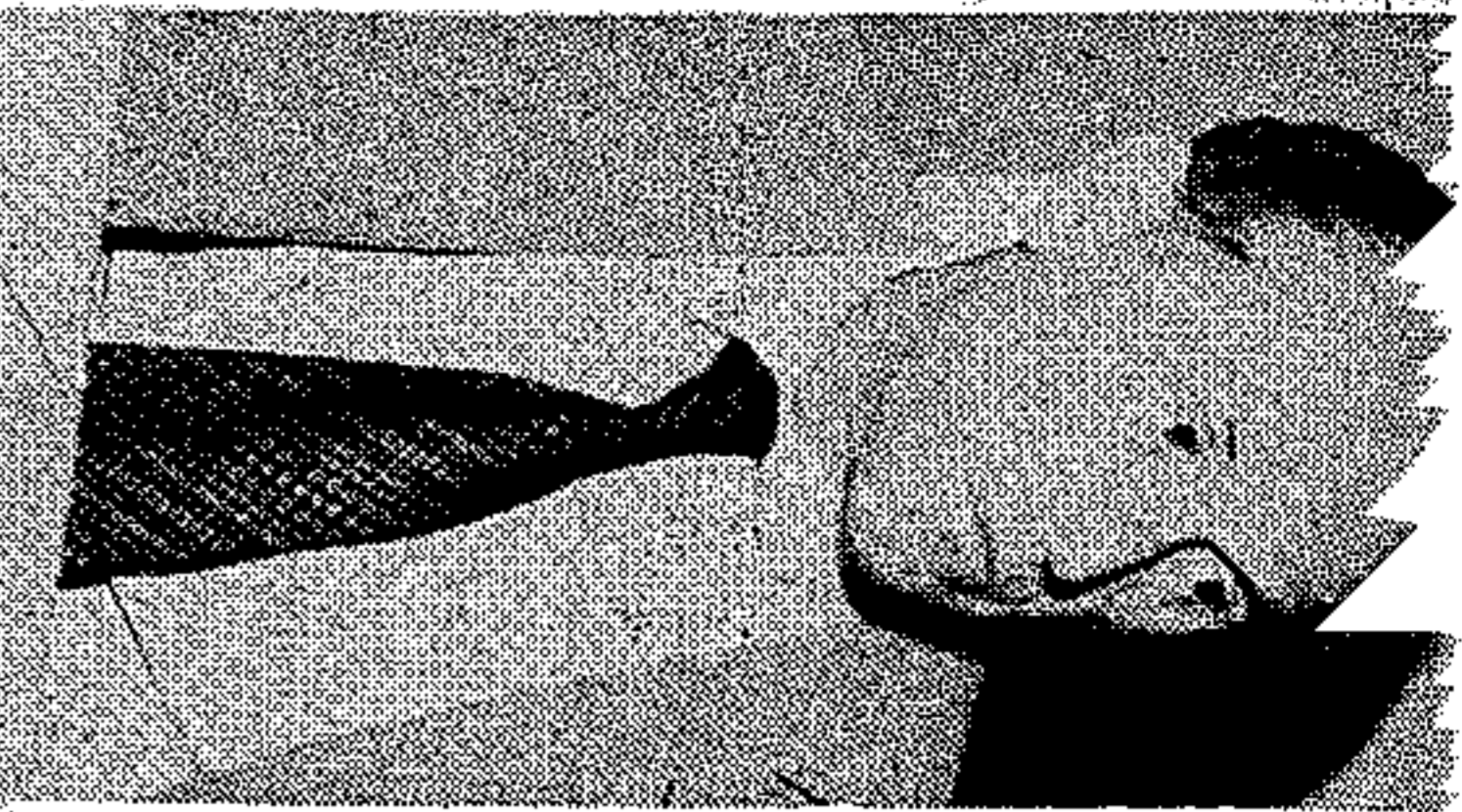
Should black African

JOB WATCH
With JOE THLOLOE and KINGDOM LOLWANE



Workers assemble a Fiat truck.





Mr. D. Gonella, plant manager.



Mr. Elekia Marema, chairman of the works committee, says they are satisfied with working conditions at Fiat: "We are doing better than some other companies in this area."

employees because their representative body should be in the form of a trade union, the company should accept this decision.

"Trade unions for black Africans are not illegal, and companies are free to recognise them and to negotiate and conclude agreements with them."

Mr. Gonella says 92 percent of their workers are from Bophuthatwana, and they commute daily to work.

"Only eight percent of our black workers qualify for trade unions in terms of the new legislation," he told us.

COMPANY

The company was still waiting for a lead from the Government.

"We would have no objection to a trade union, if it was handled in a reasonable way. In Italy where I come from, trade unions mostly cause trouble. But if the union would keep relations between us and the workers as they have been up to now, we would certainly have no objection."

Years ago, the company had been approached by a white trade union for recognition, but the workers had rejected it.

The company now has a works committee, registered with the Department of Manpower Utilization, for its 742 blacks.



Washing in the changeroom for black workers.



The canteen at Fiat — this one for blacks.

What is the company doing to upgrade its black staff?

"We have on-job training, but nothing formal. We promote our blacks to better jobs and we don't recruit from outside."

The only areas where there was overlap between black and white staff was in the stores

and the clerical section.

Do you have a situation where a black clerk earns the same as or more than a white clerk?

"No. The black clerks started about two years ago."

As far as fringe benefits are concerned, "The Industrial Council required that we have a

pension scheme for everybody in the machining section, but we are now working on a scheme for all the workers here," Mr. Gonella said.

The company was not contributing anything to improve the quality of life in the townships. Nothing to housing, education, etcetera.

Vraagteken hang steeds oor Fiat

Deur GERT MARAIS

TEN spyte van die verklaring wat Fiat Suid-Afrika die afgelope week uitgereik het om spekulasie oor die maatskappy se toekoms uit die weg te ruim, hang daar steeds 'n groot vraagteken oor die groep se voortgesette teenwoordigheid in Suid-Afrika.

Fiat het nie gedeel in die groot oplewing wat die laaste ruk in die mark vir nuwe motors handelsvoertuie voor gekom het nie. Die maatskappy se mark-aandeel het nie net gedaal terwyl die res van die mark gegroei het nie, maar hy verkoop nou minder motors as 'n jaar gelede.

Die maatskappy het byvoorbeeld verlede maand net 436 nuwe motors verkoop, terwyl hy in die ooreenstemmende maand verlede jaar 545 verkoop het. Dit het sy markaan-

deel van 3,4 persent tot 1,96 persent laat daal in 'n tyd waarin die totale mark met byna 40 persent gegroei het. Nadat 'n berig in die pers verskyn het waarin oor die groep se toekoms in die land gespekuleer is, het die maatskappy se besturende direkteur, dr. Gian-Carlo Barsotti, 'n verklaring oor die saak uitgereik.

Die verklaring, waarin erken is dat samesprekinge oor die maatskappy se toekoms gevoer word, was egter so vaag dat dit onwaarskynlik is dat dit 'n einde aan die bespiegeling sal

maak. Dit het byvoorbeeld geen ontkenning bevat wat sê die groep is van plan om in Suid-Afrika te bly nie.

Volgens markkeners het die maatskappy net 'n paar moontlike oplossings vir sy probleme.

Die eerste is om sy aanleg te sluit en hom heeltemal aan die Suid-Afrikaanse mark te onttrek. Dit behoort geen invloed op die toekomstige beskikbaarheid van Fiat-onderdele te hê nie en sal bloot beteken dat geen verdere motors vervaardig word nie.

Die monteeranleg op Rosslyn naby Pretoria sal

waarskynlik verkoop kan word. Die mees waarskynlikste koper is Datsun, wie se eie aanleg skaars 'n kilometer van die van dié van Fiat is.

'n Tweede oplossing is om die aanleg te sluit en glad nie enige van sy bestaande modelle verder te bemark nie, maar 'n nuwe model, waarskynlik die nuwe klein Panda, deur 'n mededinger te laat monteer.

Dit is ongelukkig nie so maklik om 'n plaaslike vervaardiger te kry wat bereid sal wees om die vervaardiging en bemarking te doen nie. Toyota is 'n moontlike kandidaat vir die vervaardiging omdat hy nog ongebruikte produksievermoë by sy aanleg in Durban het. Dit is egter onwaarskynlik dat Toyota te vinde sal wees om Fiat se bemarking te doen omdat dit mededin-

ging vir sy eie produkte sal skep.

Ten minste Mercedes, Datsun, Toyota en BMW het al in die verlede met Fiat gepraat om sy produksie te hanteer, maar dit sal moeilik wees om hulle so ver te kry om die bemarking ook te doen. BMW, Datsun, en Sigma het in elk geval nie nou die ekstra produksievermoë om die vervaardiging te doen nie. Mercedes beplan om die Honda hierheen te bring en dit is onwaarskynlik dat Sigma die bemarking van 'n mededingende produk sal onderneem. Alfa-Romeo gaan sy oorskot-produksie uitvoer en sal waarskynlik nie plek hê vir Fiat nie.

Die kans is ook skraal dat enige van die multinasionale maatskappye die vervaardiging en bemarking sal doen omdat



DR. GIAN-CARLO BARSOOTTI

dit waarskynlik teen hul oorsese beheermaatskappye se beleid sal wees. Dit skakel Ford, General Motors en Volkswagen uit.

As Fiat nie in die onbehydenswaardige posisie gesit het dat sy handelsnetwerk ontoereikend klein was nie, was sy probleme heel moontlik kleiner. Met 'n goeie verspreidingsnetwerk sou hy in staat gewees het om sy eie bemarking te doen, hoewel sy vervaardiging deur 'n mededinger hanteer kon word.

Die pogings wat die groep in die verlede aan-

gewend het om sy motor-saak in Suid-Afrika op 'n werklik lewensvatbare voet te plaas, het nie veel opgelewer nie. Om dit nou te doen, sal nie maklik wees nie. Sels die inbring van 'n nuwe model soos die Panda sal byna twee jaar neem en 'n werklike betekenisvolle poging om die groep 'n groot marktaandeel te gee, kan enigiets tussen R30 miljoen en R40 miljoen kos.

Of die Italiaanse beheermaatskappy bereid sal wees om soveel ekstra te belê, is 'n ope vraag.

TONING

'Fiat will stay in South Africa'

STAR 69
16/6/80

Fiat have no intention of withdrawing from South Africa, but the company could merge with another motor corporation here.

Reacting to rumours that Fiat would close down their Rosslyn plant in a few months, Fiat South Africa's managing director, Dr Gian-Carlo Barsotti, said that his company's management

had been investigating ways of rationalising their presence in the market.

"There are different ways of doing this, such as an association with another manufacturer, changes in Fiat's model range, changing the volume of units produced at our plant or altering the equity structure of the company."

Alfa neem net die bakkie oor

Fiat nou finaal uit Suid-Afrika

197
69

S. Fappat 21/9/80

NADAT onderhandelinge tussen Fiat Suid-Afrika en Leyland Suid-Afrika die afgelope twee weke suur geword het, het eersgenoemde besluit om hom heeltemal aan die plaaslike mark te onttrek — met uitsondering van een voertuig.

Volgens 'n nuwe ooreenkoms wat vandeeweek beslink sal word, sal die Fiat 128-bakkie voortaan deur Alfa Romeo Suid-Afrika vervaardig en bemark word.

Nadat die spertyd van die Leyland-aanbod verval het, het dié Kaaplandse vervaardiger belangstelling begin verloor en dit was duidelik dat die onderhandelinge gedoem was.

Die afgelope week het twee senior verteenwoordigers van Fiat se hoofkantoor in Turyn in Suid-Afrika aangekom en sedertdien is in Johannesburg druk samesprekings gevoer tussen dié twee Italiaanse maatskappye. Omdat Alfa Romeo nie in Fiat se passasiersmotors belang stel nie, is besluit dat net die bakkie en sy vervaardigingsgereed-

skap aan eersgenoemde oorgedra sal word.

Intussen het mnr. Bill Wilson, adjunk-voorsitter van die Messinamyngroep Vrydag bevestig dat sy maatskappy die Fiat-aanleg in Rosslyn oorneem. Volgens hom sal Datsun-Nissan Suid-Afrika se swaar- en medium-vragmotors voortaan by dié aanleg vervaardig word.

„Ons hoop om in Desember en Januarie in te trek en onmiddellik met die vervaardiging van ons handelsvoertuie te begin. Ek wil dit graag duidelik stel dat die enjin-aanleg van Fiat niks met Messina of Datsun-Nissan te doen het nie,” het mnr. Wilson bygevoeg.

„Fiat Suid-Afrika het 'n kontrak gehad om enjins vir 'n ander vervaardiger te maak en daar is nog 'n looptyd van 18 maande oor. Daar is gevolglik 'n

skeiding tussen Fiat se monteer-aanleg in Rosslyn en die enjin-aanleg wat Datsun-Nissan en Messina betref.”

Fiat Suid-Afrika het 'n kontrak met die Sigma Motorkorporasie gehad om Peugeot-enjins te vervaardig en dis duidelik dat die ooreenkoms nou aan 'n ander onderneming oorgedra is. Die naam van Auto Industrial, 'n komponente-vervaardiger van Isando, word in dié verband genoem.

Mnr. Wilson, ook 'n gewese besturende direkteur van Datsun-Nissan, het Vrydagmiddag gesê dat sy maatskappy se Rosslyn-aanleg tans teen volle kapasiteit werk en dat die Fiat-aanleg 'n uitkoms bied. Na verneem word, is 'n bedrag van meer as R5 miljoen by dié transaksie betrokke.

Totdat Datsun-Nissan sy intrek in die Fiat-aanleg

neem, sal Fiat Suid-Afrika kans gegun word om die gereedskap van die Fiat-passasiersmotors te verwyder. Sover die afgelope week vasgestel kon word, is reeds begin om van die gereedskap te verpak om na Italië verskeep te word.

Die 128-bakkie se gereedskap sal terselfdertyd verwyder word en in die Brits-aanleg van Alfa Romeo geïnstalleer word. Omdat Alfa Romeo nie handelsvoertuie het nie, wou dié vervaardiger nog altyd 'n bakkie bekom, veral om sy handelaars 'n groter volume te kan bied.

Dit kan ook aanvaar word dat verskeie van die bykans 130 Fiat-handelaars in aanmerking sal kom om deel van die Alfa Romeo-netwerk te word. Alfa Romeo Suid-Afrika ondervind tans die beste jaar van sy bestaan in die Republiek en die beskikbaarheidstelling van Alfa-produkte sal in alle waarskynlikheid vir

© Vervolg op bl 2 kol 9

Collision with a proton. The maximum energy E_{max} resulting from elastic scattering mass m_n and energy E on a nucleus of mass m_N

$$= 4m_n m_N E / (m_n + m_N)^2 \dots \dots \dots (34)$$

such smaller for heavy nuclei than for hydrogen.

important effects in the interaction of gamma are the photoelectric effect (described in section 2.1, p.5) and Compton effect (section 2.3, p.8). Energy is transferred to gamma photon to a photoelectron, a or an electron-positron pair respectively. Secondary particles then interact with the bed in (a). As in the case of neutrons, of gammas with matter is a statistical process by an exponential absorption law of the form but with a representing the gamma ray coefficient. This coefficient can, in turn be the sum of components α_{pe} , α_C and α_{pp} , the photo-Compton and pair effects. Thus

$$\alpha_C + \alpha_{pp} \dots \dots \dots (35)$$

coefficients are largest for the heaviest lead) and α_{pe} usually dominates for gamma

1.5 MeV, α_{pp} for energies above ~ 10 MeV and around 1 MeV.

to measure for gamma interaction calculations thickness, analogous to the half-life in radiois defined as the thickness $x_{1/2}$ of the m required to reduce the fraction N/N_0 (eq. (33)) a particular gamma energy.

$$\exp(-\alpha x_{1/2}) \dots \dots \dots (36)$$

$x_{1/2}$ are given below (in mm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0

4.8 Fission and Fusion

In the stable nuclei the nuclear binding energy B_{AZ} increases as the nucleon number A increases. To show the rate of increase we plot the ratio (B_{AZ}/A)

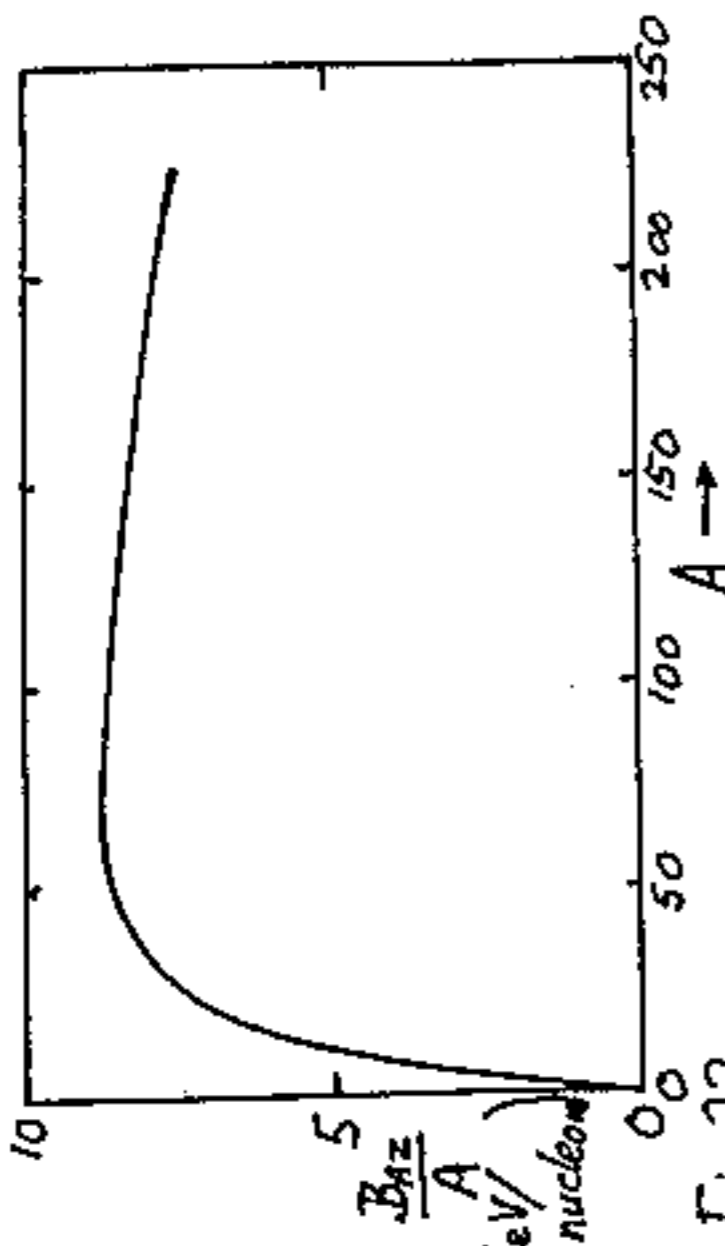


Fig. 22

versus A in fig. 22. The ratio is approximately constant and reaches a maximum of ~ 8 MeV nucleon $^{-1}$ for "medium" nuclei ($A = 40-120$). The lower values for light nuclei can be attributed to enhanced 'nuclear surface tension'. The lower values for heavy nuclei ($A \gg 120$) can be attributed to the enhanced Coulomb repulsion of the protons in these nuclei.

If we fuse light ($A \lesssim 10$) nuclei (fission) heavy ($A \gtrsim 200$) nuclei system will therefore be more than system (fig. 22). In other words of energy (like latent heat) which kinetic energy of the reaction fusion one or both of the initial energy to overcome their mutual the nuclear separation to within Fission occurs spontaneously in a form of radioactivity in these a nuclear reaction, for example as ^{235}U with neutrons (fig. 23) fragments produced exhibit ground states and therefore are initially highly excited and ground states and therefore are also released in the fission process and these are important in the production of self-sustaining fission chain reactions. Most of the energy released in each fission (~ 200 MeV) appears as the kinetic energy of the fission fragments.

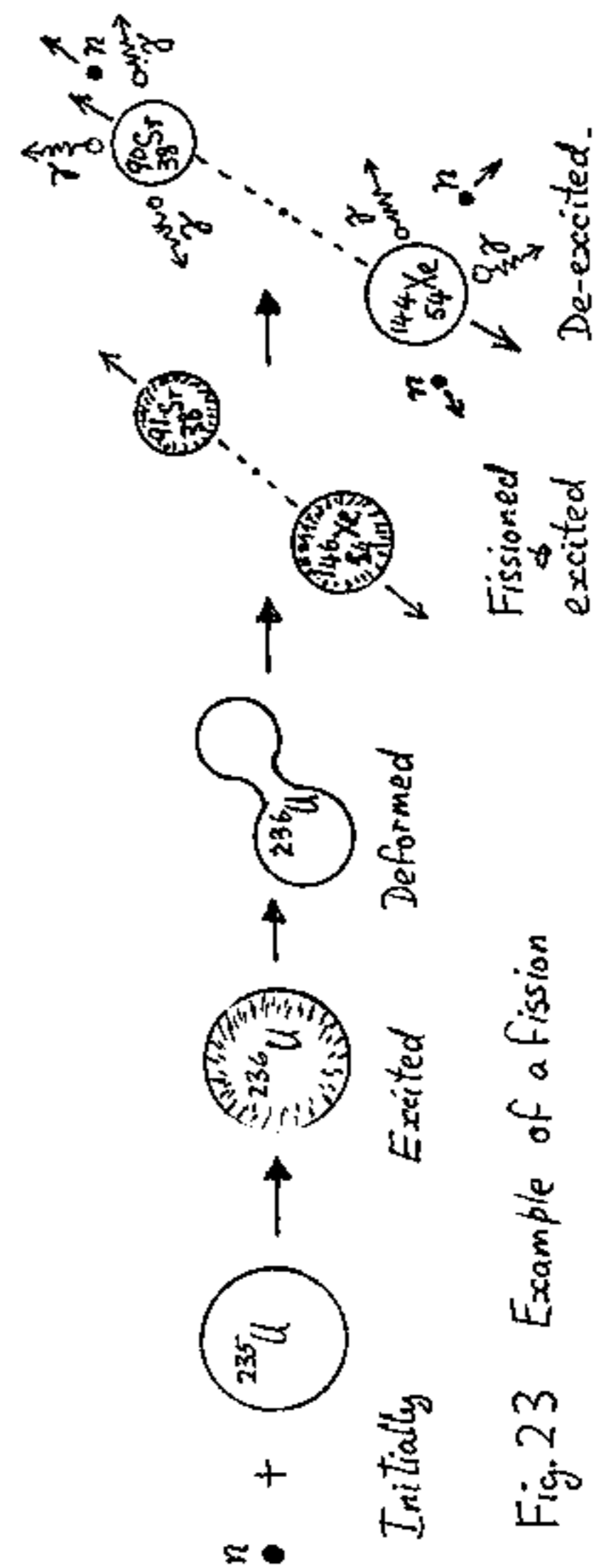


Fig. 23 Example of a fission

5. Interactions and Measurements of Nuclear Radiations

We consider only radiations (particles) having kinetic energies in the energy range (between ~ 0.1 MeV and a few $\times 10$ MeV) typical of nuclear physics. The interactions of these radiations with matter are basic to many phenomena and to many aspects of nuclear technology. Examples are the detection of nuclear radiation, the design of radiation shielding and the assessment of radiation dose.

5.1 Interaction of radiation with matter

As a representative group of particles (radiations) we will consider the electron, proton, alpha particle, neutron and gamma photon (e, p, α, n, γ). Within these the charged particles form a natural group or subset which it is convenient to consider together.

Handwritten notes in Afrikaans and Dutch. Includes 'Fiat', 'terug na Italië', and 'Vervolg van bl...'. There are also some scribbles and a date '1922/1/22'.

talle Fiat-handelaars 'n uitkoms wees.

Die verwagting is dat Alfa Romeo die verpligtinge van Fiat Suid-Afrika sal oorneem wat betref die waarborge en diens van verkoopte Fiat-voertuie. Nuwe voertuie is die afgelope klompie jare verkoop met waarborge wat oor 24 maande strek.

Die afgelope week is betroubaar verneem dat daar nog agt maande se Fiat-voorraad in Suid-Afrika „besikbaar” is. Dit beteken dat van die Fiat-waarborge nog vir minstens 'n verdere 32 maande uitgerek gaan word, aangesien 'n waarborg geld totdat die laaste voertuig verkoop is en daarna tree die 24 maande-tydperk in werking.

Nog 'n belangrike faktor is die feit dat 'n vervaardiger wat horn aan die Suid-Afrikaanse mark onttrek, verskeie maande vir 'n verdere tien jaar beskikbaar sal wees. Ook in dié opsig sal Alfa tot Fiat se redding kan kom. Dit kan aanvaar word dat Fiat se „vergoeding” aan Alfa in dié geval 'n stywe bedrag sal wees.

at which it loses energy along its path of travel, that is on the energy loss per unit distance $(-dE/dx)$ along this path. The energy loss $(-dE/dx)$ depends on the density of the medium and the charge and the velocity of the particle. It is higher for a higher charge or a lower velocity. If we compare alphas and protons at the same energy, for example, the alphas have a higher charge and (owing to their larger mass) a lower velocity. Therefore, in a given medium, $(-dE/dx)$ is larger for alphas than for protons of the same energy and the alpha range is less than the proton range for the same incident energy (see tables below and fig. 24(a)). Furthermore, for either particle, the velocity decreases, and hence $(-dE/dx)$

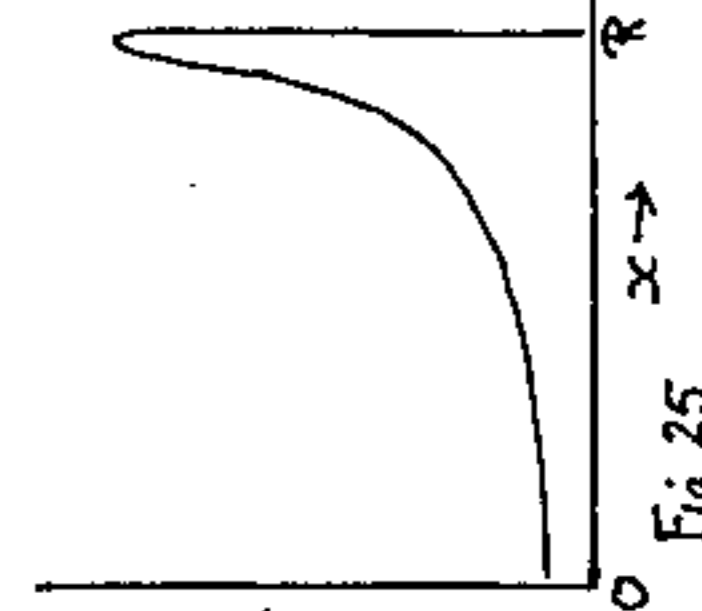
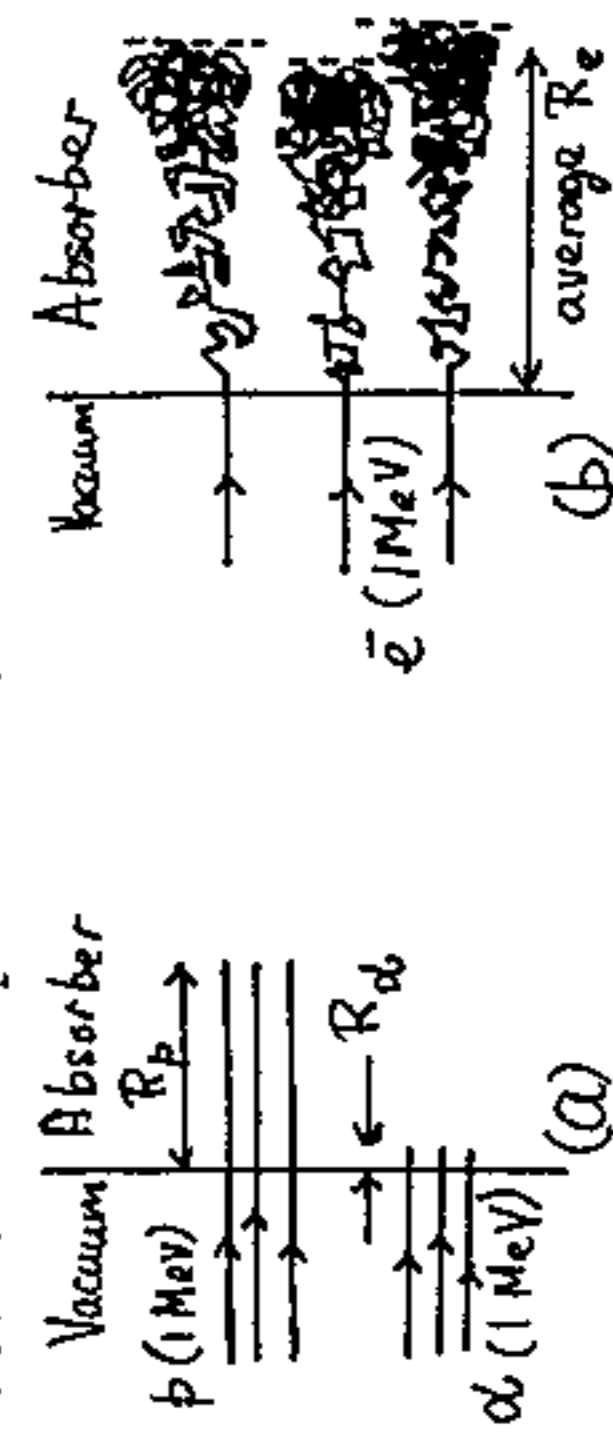


Fig. 24

Fig. 25

Fiat closes up shop in SA

30.9.80
D. Barsotti

1980
181

By LEICESTER SYMONS
Motor Editor

FIAT South Africa, a subsidiary of the giant Turin-based Italian concern, has come to the end of the road as a local motor manufacturer.

A deal has been done with Alfa Romeo SA, the local subsidiary of the other major Italian car maker, to take over some aspects of the Fiat operation here.

A joint statement on the agreement was only awaiting approval from the headquarters of the two companies in Italy, but this was only a formality, Dr Gian Carlo Barsotti, the managing director of Fiat SA, said in Johannesburg yesterday.

Alfa Romeo SA will take over the manufacture and marketing of the Fiat 128 bakkie in this country.

It will also investigate the possibilities of introducing other Fiat models here.

Alfa Romeo SA is taking over the responsibility for ensuring that all owners of Fiat vehicles can continue to receive spare parts and service.

They will be provided through the existing Alfa dealer network and the company will also negotiate with Fiat dealers to incorporate them in its network.

Both the present Alfa dealers and Fiat dealers who are incorporated will accordingly be able to provide spares and service for the vehicles produced by both companies.

There will continue to be a Fiat organisation in South Africa for some time — at least two years, and possibly longer.

This organisation will deal with any claims under new vehicle warranties, which are for two years in the case of Fiat cars.

It will also help Alfa to get production of the Fiat 128 bakkie started at its plant; organise the supply of components and parts, including spares for existing Fiat vehicles of all types, from Italy, and provide other technical assistance to Alfa Romeo SA.

Production of Fiat passenger cars, including the 128 and 131 sedans, has ceased, and all the packs of imported components ordered from Italy and the local components have been used up.

The Fiat assembly plant at Rosslyn, near Pretoria, has been sold to Datsun-Nissan.

Dr Barsotti headed a team which came to South Africa about four years ago to attempt to revive flagging Fiat sales. Some success was achieved, but it was not enough.

As a result, talks about possible mergers or takeovers have been going on between Fiat SA and a number of other South African manufacturers for more than a year.

Dr Barsotti said he was satisfied that the arrangement now made with Alfa Romeo SA was the best that could be done in the interests both of Fiat owners and of his company.



Mr M W King, director of Anglo American in charge of the finance division, has been appointed a member of the executive committee of the board.

Italian diesel venture

Industrial Reporter

THE WORLD'S largest manufacturer of small air-cooled diesel engines, Lombardini of Italy, has established an operation in South Africa.

It is called Lombardini Diesel, and is backed by Williams Hunt & Co dealers.

Lombardini has a worldwide turnover of R120-million and manufactures 360 000 engines a year at its subsidiaries.

The company estimates the market value of the South African diesel engine market at R10-million, and is aiming for 22% of the market (about 2 400 engines a year).

The engines will be produced in sizes from 3,5 kw to 30 kw and will be aimed primarily at the agricultural and construction industries.

The company says its engines will initially be imported, but negotiations are under way to start SA manufacture. The company plans to export the SA engines.

RDM
24/12/80
69



Mr Carlo de Benedetti

Olivetti grows in SA

By SIMON WILLSON
Industrial Reporter

OLIVETTI Africa, the Johannesburg-based subsidiary of the Italian electronic office hardware manufacturer, is to expand its plant at Robertsham as part of increased investment in South Africa.

Mr Carlo de Benedetti, chief executive of the Olivetti Group, announced the investment plans in Johannesburg yesterday.

He said: "The local subsidiary is one of the bright stars in the group's newfound growth, both in profits and turnover."

"The company's results were among the best in the group and this will enable the local subsidiary to make further investment which should guarantee its future growth."

Assembly of the company's new electronic typewriter would start at Robertsham in April this year, and a range of other new products would be assembled in 1982, he said.

Mr De Benedetti has concluded a R2 300 000 contract with the Post Office for equipment and development aid for the design and installation of a new savings bank system.

He said he was confident that South Africa's first electronic mail system would use machines and word processors and machines made by his company when it was commissioned.

South Africa was a "developing communications marketplace", poised for a major push into office automation.

"The economic scenario still looks favourable, and is foreseen to remain so for at least the first half of the year."

Mr De Benedetti also hinted that the SA subsidiary would soon be looking into marketing a business machine plug-compatible with IBM machines.

(7/11) (12/18) (69) S. Turner
4/7/82

Icodev leaps into limelight

THE little-known International Coal Development (Icodev) has leapt into prominence among significant coal exporters with its provisional allocation this week of 2-million tons a year for Richards Bay phase 4.

Alan Tew, formerly MD of the Transvaal Coal Owners Association and leading personality in the SA coal industry, arrives in Johannesburg this week to head the operation.

Icodev, formed in 1979 to acquire substantial steam coal reserves in the Belfast, Carolina and Breyten areas of the Eastern Transvaal, is to produce steam coal for export primarily to the Italian market.

Its main beneficiary shareholder is Agip Coal of Milan, part of ENI, the Italian state energy company and among the largest groups in Europe.

In a new expansion of SA institutional interests in the coal industry, a significant minority participation in Icodev is being acquired by Bankorp, the Sanlam-controlled listed company which controls Senbank, Trust Bank and Mercabank.

Most of Icodev's production will be by opencast methods, the total capital required to bring the mine to

By Andrew McNulty

production being estimated at R50 an annual ton or a total of about R100-million in today's money.

The fact that the mine will play a significant role in stimulating the Carolina area and also that the coal will largely be tied to the Italian market, providing some stability and security in the now-uncertain international coal markets, appear to have been the main reasons for the company's success in getting its relatively high allocation.

Huge new SA vehicle maker

By Colin Haynes
and Stephen Orpen

IN A complex corporate reshuffle, what by certain yardsticks could be South Africa's largest big-truck manufacturer has been formed, with a production capacity of more than 5 000 units annually.

In the vanguard of the new giant's drive into the heavyweight end of the market is a range of Samag trucks derived from military vehicles produced for Armscor.

The battle for business in South Africa's ailing truck market mushroomed this weekend as the huge Messina group launched a new range of commercial vehicles which until now have been hiding under military colours.

Under the Magnis Truck Corporation standard, Messina has brought together the production and marketing of South African model derivatives from leading European and Japanese manufacturers.

The European models come from the "Club of Four" association of Magirus-Deutz, DAF, Volvo and Saaviem.

It is from the designs of these manufacturers that Messina subsidiary Truckmakers has developed Samil and Sakom military vehicles under an exclusive Armscor contract since 1976.

It is the commercial versions of these trucks — called Samags — which now come on the market, alongside the Nissan Diesel truck and bus range, which is also in the Messina stable.

So Magnis Truck Corporation and Truckmakers are now blended into a new and powerful force in South African trucking, with integrated production and sales making them the biggest single factor in the business.

There are 17 Samag models from Magnis spanning the 12-26-ton range; the small-

● To Page 3

252/193 259/63
69 70 S. Times
10/10/82

Huge new truck manufacturer

● From Page 1

er ones showing their European ancestry more clearly than the heavyweights.

With Magnis aiming to capture 10% of the 10 000kg-and-above market with the Samags, and Nissan Diesel already holding 16%, the Magnis conglomerate will become a major factor in its sector of the market.

An expected outcome of the Messina move is that it will enable the Datsun operation to concentrate on trying to regain the share of the passenger-car market it has lost recently to arch-rival Toyota in particular.

Sigma has also carried out a corporate restructuring to separate truck and car operations, and it is widely

known in the industry that Toyota has important truck developments on the way after its move into leadership of the car market.

So the current top three companies in the South African vehicle-manufacturing business will be the centre of a fascinating battle for supremacy in the coming months.

Toyota's position as No 1 with nearly 25% of the total vehicle market looks safe, but the Messina and Sigma groups could both be close contenders for second spot.

All three are local companies predominantly relying on Japanese products and which have opened up a clear lead from the European and American multinational motor manufacturers operating in South Africa.

Magnis is looking for a major share

S. lives 21/11/82

THE strong new contender in the South African trucking business — the Messina group's Magnis Truck Corporation — aims to take around 26 percent of the 10 000kg and above market with ranges from 10 to 26 tons.

Magnis is looking for a 10 percent slice of this vital market sector with its newly launched Samag range of 17 trucks, based on vehicles developed for military use, spanning the 12 to 26 tons range.

Messina's Nissan Diesel range spans 10 to 26 tons and already holds a 16 percent share of the over 10 000kg market sector.

Samags and Nissan Diesels are built in the same Truck-makers' factory at Rosslyn which, with an output of 5 000 units annually makes it the biggest truck plant in the country.

Marketing

The marketing teams for the two ranges will also be headquartered here, although it is said that they will function as separate, competing operations within the Messina group.

The Samags are being sold through 50 franchised dealers, with the 120 strong Nissan Diesel dealer network acting as service dealers.

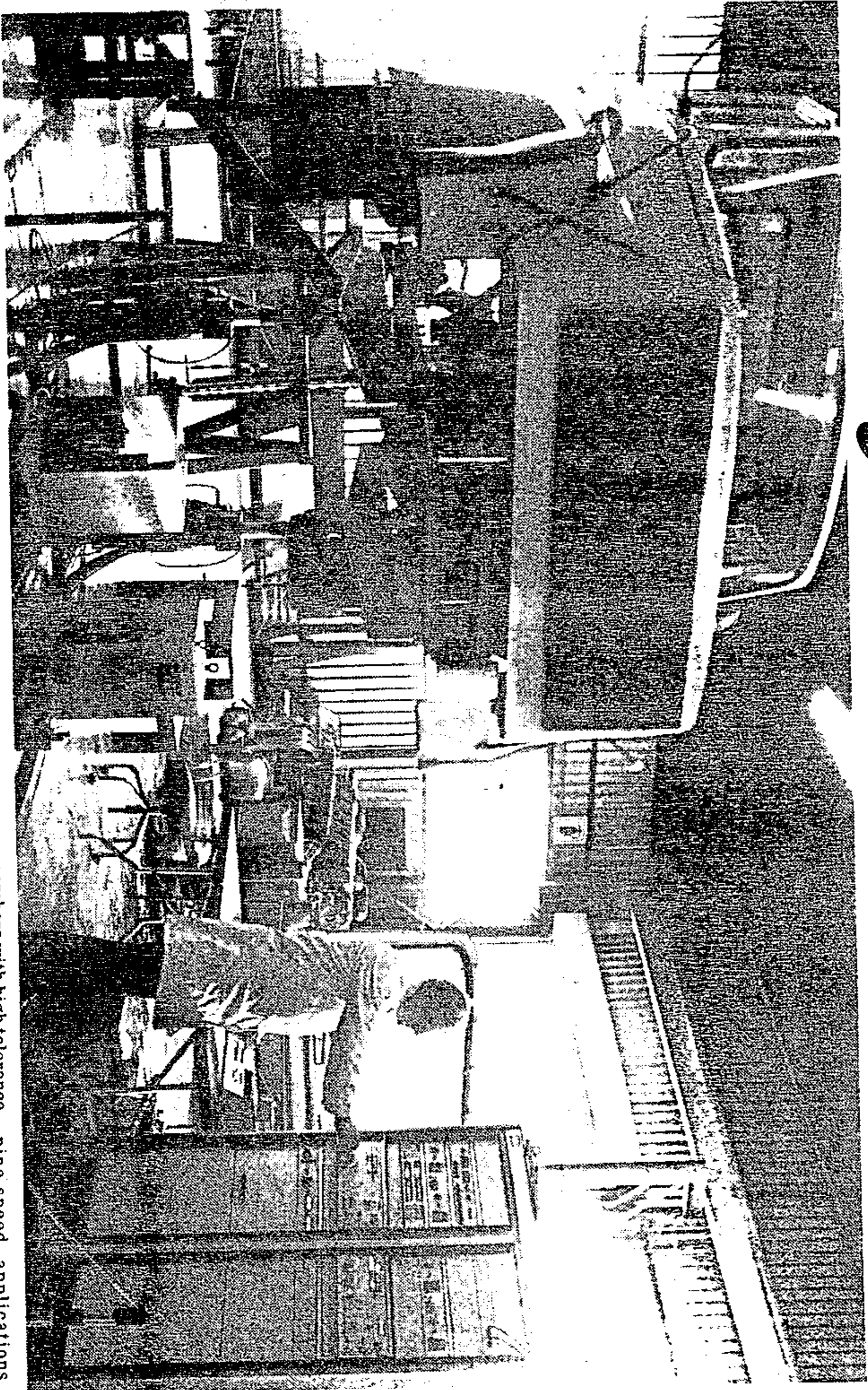
This most important of recent developments in South African truck manufacturing has come about as a result of Messina's corporate strategy to rationalise its vehicle production and marketing activities.

Datsun passenger cars and light commercials now becomes a specialist operation in their market sectors, while all the truck activities are concentrated up the road under the Magnis banner.

Samag range is expected to fill the gap

RIGHT: This R180 000 cab testing rig at Magnis Truck Corporation has two hydraulic actuators which simulate extreme stresses under widely varying road conditions.

BELOW: A Samag prototype undergoes accelerated durability testing at the Magnis test track near Rosslyn



members with high tolerance to extreme flexing in off-road conditions.

The cabs for both are very similar, with large panel pressings to reduce weight. There are plans for a local modular cab and new forward control cab also.

Among the more interesting design features are the

nine-speed applications, while some trucks have two speed all-wheel-drive transfer boxes.

Magnis Truck Corporation managing director Don Fyfe says he anticipates Samag reaching a higher level of South African manufactured parts than any other volume selling commercial

san Diesel dealer network acting as service dealers.

This most important of recent developments in South African truck manufacturing has come about as a result of Messina's corporate strategy to rationalise its vehicle production and marketing activities.

Datsun passenger cars and light commercials now becomes a specialist operation in their market sectors, while all the truck activities are concentrated up the road under the Magnus banner.

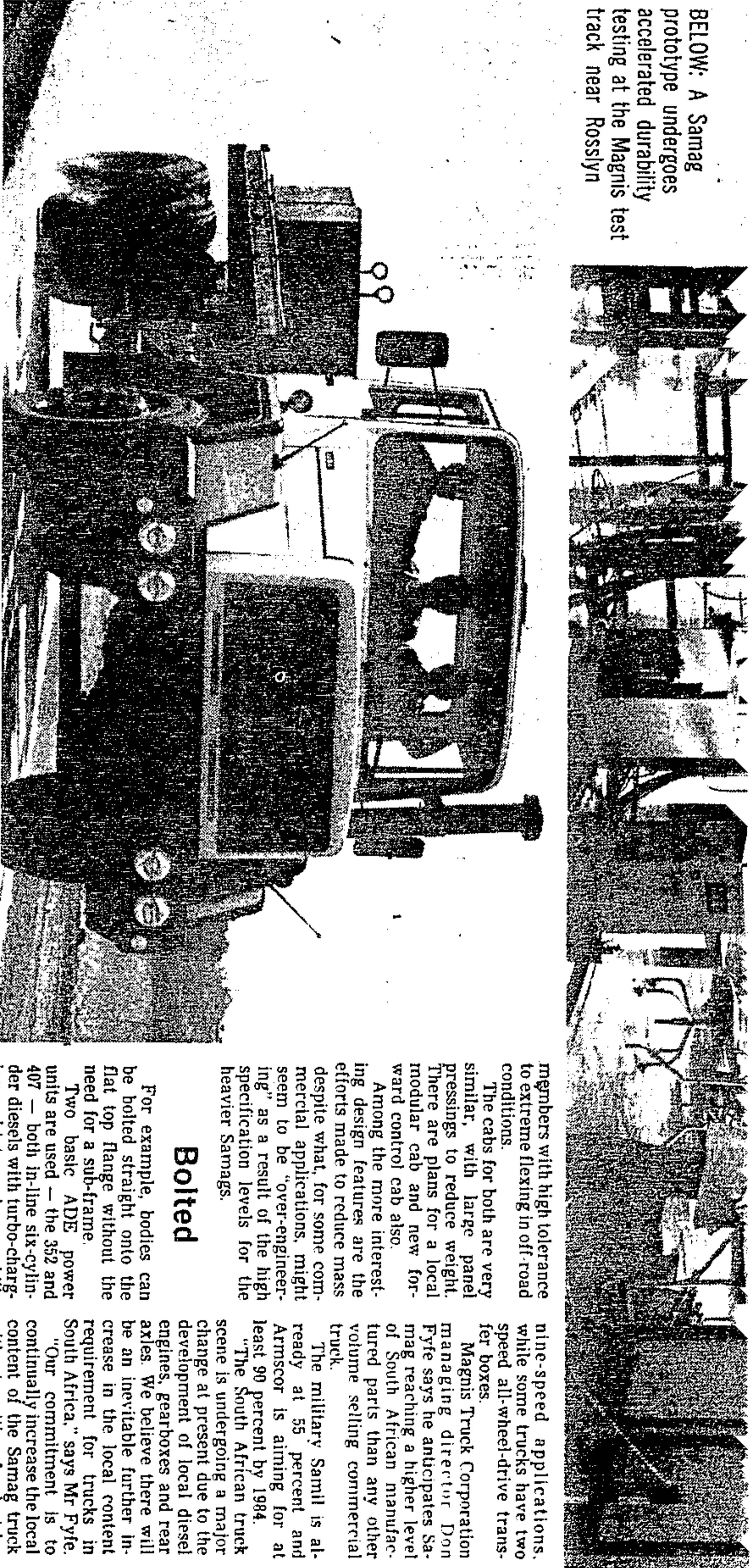
Expanded

The Samag and Nissan trucks are produced in what used to be the Fiat plant, now considerably expanded.

The Samags, with their military heritage and very high local content levels, are pitched firmly up-market against the likes of Mercedes-Benz and M.A.N., while the Nissans will presumably continue as higher volume, mainly general purpose units in the toughly competitive arena of the trucking business where pricing is all important.

This heightens further the pattern in which European designed trucks are trying to carve out a permanent niche as premium-priced units despite the fact that they, and their increasingly aggressive Japanese-sourced rivals, now

BELOW: A Samag prototype undergoes accelerated durability testing at the Magnus test track near Rosslyn



share similar ADE units and, in many cases, local transmission components also.

The Samags trace their lineage back to the European Club of Four designs, espe-

cially the cabs and chassis frames, resulting from the pooling of resources by Magna-Deutz, Saviem, DAF and Volvo. The Nissans, of course, are of Japanese con-

cept. There are two distinct Samag ranges — the 12 and 14-tonners designed mainly for short haul work and the 16 to 20-tonners intended for long

hauls and heavy duty roles in construction, forestry, etc.

The larger units more clearly show their Samill military development input with deeper section chassis

members with high tolerance to extreme flexing in off-road conditions.

The cabs for both are very similar, with large panel pressings to reduce weight. There are plans for a local modular cab and new forward control cab also.

Among the more interesting design features are the efforts made to reduce mass despite what, for some commercial applications, might seem to be "over-engineering" as a result of the high specification levels for the heavier Samags.

Bolted

For example, bodies can be bolted straight onto the flat top flange without the need for a sub-frame.

Two basic ADE power units are used — the 352 and 407 — both in-line six-cylinder diesels with turbo-charging and intercooler capability. Axles are standardised on identical banjo casing and differential carrier external dimensions.

The ZI and Iron-Fuller gearboxes cover five, six and

nine-speed applications, while some trucks have two speed all-wheel-drive transfer boxes.

Magnus Truck Corporation managing director Don Fyfe says he anticipates Samag reaching a higher level of South African manufactured parts than any other volume selling commercial truck.

The military Samill is already at 55 percent and Armscor is aiming for at least 90 percent by 1984.

"The South African truck scene is undergoing a major change at present due to the development of local diesel engines, gearboxes and rear axles. We believe there will be an inevitable further increase in the local content requirement for trucks in South Africa," says Mr Fyfe.

"Our commitment is to continually increase the local content of the Samag truck without waiting for legislation to force us in this direction.

"So the launch of the Samag range is of tremendous strategic importance to South Africa."

Automotive tool market boom

S. Times
27/2/83

By Vera Beljakova

NMS 69

SOUTH Africa's automotive tool market, which saw sales of R16-million last year, is poised to expand to a turnover point of R20-million this year, despite the depressed tool market in general.

The two main competitors in the automotive market are Atlas Utas (a Barbican subsidiary with a 60% market share) and National Machinery Suppliers (NMS) with a 40% market share.

NMS, with its R6-million turnover, is a subsidiary of Bifco (assets R150-million), which in turn is owned by Nedbank (25%), PG Glass (20%) and the SA-resident German family Hochstadter with 55%.

"Though the tool machine market is

dead, sitting with high inventories and low sales", according to NMS MD Glenn Cartwright, "the automotive tool industry is still booming.

"The continued growth comes as a result of the recession, when the motor industry turned to repairs instead of new products. We supply the motor industry with machinery for reconditioning engines, brakes and clutches."

NMS predicts a real growth of 10%.

Aiming for market supremacy, it recently increased its sales staff by 400%, changed its management system and revamped its board.

This week NMS is opening three new premises (warehousing, showrooms and workshops) around the country, offer-

ing a better service to the end-consumer.

Part of the revamp is aimed to stop clients from "banding together into a force which would import tools directly from overseas suppliers", says Mr Cartwright.

NMS's major supplier is Italy's Zanrosso — the world's largest automotive tool manufacturer, whose factories are working double-shift to fulfil international orders.

Zanrosso supplies 60% of the world's needs, and its president arrives in South Africa this week.

NMS's other main supplier is Ammco of the US, which provides brake and clutch servicing equipment.

Italian giant moves into SA

27/3/83 (69) S. Times

MERZARIO HEAVILY INTO WORLDWIDE TRANSPORT.

Business Times Reporter

MERZARIO, the giant Italian forwarding company, which has a large share of the booming trade between South Africa and Italy, is to open an office in Johannesburg.

With more than 40 branches in Italy, Merzario is the Italian contractor to the Micor-Kompakt Forwarding Organisation. It is heavily involved in worldwide trans-

portation, including trucking, rail, steamship and airfreight operations.

Claudio Quarenta, who heads the local Merzario operation, tells Business Times that the value of cargo exported via Italy to South Africa jumped from R204-million in 1978 to R638-million in 1981.

He adds: "The main benefit of being locally represented is that we are on the spot to give importers the benefit of our expertise in the trade and will assist them in obtaining the optimum landed cost for their consignments.

"Our large volume of cargo means that we are able to provide regular sea and air freight consolidations — that is, loading multiple shipments from several suppliers in one container.

"This results in major savings in freight costs as well as forwarding and customs clearing charges."

His advice to importers:

- Involve your freight forwarder in your import planning so that you can enjoy the benefits of their expertise in freight-rate negotiations and cargo routings.
- Make sure your terms of purchase allow you the flexibility to negotiate forwarding and freight rates to your best advantage.
- Consider whether your buying pattern can be adapted to take advantage of personalised consolidation services.

4

Naawu takes dismissal row to court

THE dispute between the National Automobile and Allied Workers' Union (Naawu) and Alfa Romeo over the dismissal of the union members will come before the Industrial Court on Monday.

The Transvaal regional secretary of Naawu, Mr Taffy Adler, told The SOWETAN yesterday the union had launched an urgent application in terms of the Labour Act to the Industrial Court requesting among other things

**By MONO
BADELA**

the reinstatement of its victimized members.

The union also requested an order restraining Alfa Romeo from imposing the

The union protested at the pressure exerted on workers by these interviews, but received no co-operation from management. On February 10 a council of four was elected. Mr Adler maintained the election procedure was "highly irregular" and that the works council did not represent the wishes of workers.

Works Council on its workforce. The union demanded that Alfa Romeo officially recognise the union as representative of its employees at the Wynberg depot.

Mr Adler said the union had also taken up the matter with Alfa Romeo's head office in Italy for breaches of the European Economic Community (EEC) code of conduct.

He said the union began recruiting workers at the warehouse and workshop depot in Alfa in Wynberg in November 1982. By January the union felt it was sufficiently representative to approach management. A meeting between the union and Alfa took place on January 27, 1983 at which the union requested recognition, stop orders, access to the plant and the election of shop stewards.

Mr Adler said the company refused to give information regarding the number of workers in the plant, and refused to consider the application forms offered as proof of union membership. The company said that it would make inquiries about whether workers wanted the union "by its own means".

The following week Alfa commenced interviews between the workers and the company personnel officer. Mr Adler claimed that these were part of an attempt to set up a works council as an alternative to the union.

Union's court action against car factory

Labour Correspondent

AN INDUSTRIAL court action by the National Automobile and Allied Workers' Union against the motor firm Alfa Romeo was adjourned yesterday to allow the court to consider points raised by the company's lawyers.

The union is alleging that Alfa imposed a works council on workers as a substitute for the union, despite worker opposition to the council, and that it retrenched workers without consulting

them. It charges that these are unfair labour practices.

Alfa alleges that workers support the works council, that the union does not have support in its Wynberg spares department where it is demanding recognition, and that it is not compelled to consult workers about retrenchments.

Yesterday the company's lawyers asked the court to consider:

● Whether NAAWU is entitled to bring an action on behalf of three individual

members;

● Whether the union is a party to a dispute at issue in the case; and

● Whether the court had the right to hear a victimisation case.

Company representatives argued that this point should be put to the Appellate Division and union lawyers argued that the case should proceed because these issues had already been decided.

The court has adjourned until further notice to consider these issues.

SA's small businessmen have a friend in Italy

By SIMON WILLSON
Industrial Editor

TRADE between South Africa and Italy had the potential to expand rapidly over the next few years, a senior representative of the Italian private sector said yesterday.

Dr Lucio Scialpi is the secretary-general of Federexport, a consortium which represents more than 5 000 small and medium-sized businesses in Italy.

He is in South Africa at the head of a four-man delegation on a 10-day tour of the country to promote two-way trade at small business level between Italy and South Africa.

Dr Scialpi said in Johannesburg yesterday that public opinion in Italy had recently changed from favouring the creation of large, multinational corporations to a desire to enlarge the country's small business sector.

He said South African small businesses stood to make considerable gains in trade with Italy now that this change of outlook had taken place.

"We are convinced that there are large areas of common interest between the small businesses of our two countries, and are sure that there will be appreciable growth and expansion in the small business sector in South Africa over the next 10 years," Dr Scialpi said.

He said Federexport's members, representing 300 000 Italian small businessmen, wanted to establish trading ties with South Afri-

can small businesses, including joint ventures.

The areas his members were most interested in were:

- Gold for processing into jewellery;
- Hides for the manufacture of shoes and other leather goods;
- Prefabricated housing, in which Italian companies had become heavily involved following the recent earthquakes in that country; and
- Clothing, electronics and pharmaceuticals.

The Italian delegation, Federexport's first to visit South Africa, will hold talks with the Johannesburg Chamber of Commerce, the Federated Chamber of Industries, the South African Foreign Trade Organisation, the Association of Chambers of Commerce, the Industrial Development Corporation and the Afrikaanse Handelsinstituut.

Dr Scialpi will also see the Deputy Minister of Industry, Commerce and Tourism in Cape Town on Friday.

69 ROM 15/6/83

Alfa SA's aim: 100% locally owned

69

By David Carte
WITH two new products rolling off its Brits production line for the first time this week, Alfa Romeo SA aims to become 100% South African-owned with a stock-exchange listing in the next two years.
Managing director Dr Vito Bianco outlined Alfa SA's future plans to Business Times as the early editions of the new cars, the Alfa 33 and the Daihatsu Charade, came off the line.

Unlike many Alfa products, both are volume cars. Added to sales of the Giulietta, Dr Bianco reckons, the Charade and the Alfa 33 can lift Alfa SA's sales to 15 000 from the current 7 500-odd.

If so, Alfa would command 6% of the car market compared with less than 3% now. Increased sales also imply much fuller utilisation of the big Brits plant — and the type of profitability needed to justify a stock-market listing.

So phase 1 of Dr Bianco's plan to follow the example of Dr Albert Wessels — the man who made Toyota SA 100% South African — is to push up volumes and profits.

To this end, the dealer network will be vastly extended with the aid of a novel financial floor plan with Volkswagens.

Once volumes and profits are satisfactory an offer will be made, with the aid of SA investors, to Alfa Romeo, Italy, for all Alfa SA.

Alfa is already profitable on its tiny market share, even though its plant is not properly used. It would have gone public last year had not foreign-exchange movements damaged the profit record.

The soft rand devastated profits of all car manufacturers from Toyota, the No 1, to Sigma, which lost R70-million, R40-million of it on foreign exchange.

Alfa SA has been relatively independent of union-plagued Alfa Romeo of Italy, and the Daihatsu Charade is evidence of this independence. The company was consid-



Alfa Romeo SA managing director Dr Vito Bianco with his two latest candidates for the South African market

locally owned

gues, the cars have tended to be relatively spartan.

The 33 is just as quick but vastly more plush than today's Exports. It will come on to the market at much the same price and is expected eventually to replace them.

It boasts five doors, back seats that fold down individually to form a station wagon — and an on-board computer that makes nine vital checks before starting and gives information on trip time and fuel consumption.

Dr Bianco expects car sales to grow in the year ahead, but maintains that if he is wrong and the recession intensifies Alfa will suffer less than most of its rivals.

This is because the Charade is the cheapest and most economical car on the road. In recessions the small and luxury car markets are least affected.

The Alfa 33 would be exposed in the highly competitive middle market, but should have an edge in being a new model.

Like its parent in Italy, Alfa recognises cars as being a fashion market and aims to bring out two new models a year.

Dr Bianco virtually IS Alfa in South Africa. He it was who started assembling the cars 15 years ago in a dockside garage and who built the company into what it is today — the only Alfa-manufacturing plant in the world outside Italy.

ering manufacture of the Fiat Panda as its high-volume small car, but decided it was too utilitarian and that its three-door configuration would not sell in SA.

So, with scant reference to Italy, it opted for a Japanese marque virtually unknown by its Italian parent.

Because it wished to test the market for an unusual 3-cylinder, 1-litre, five-door

compact, Alfa obtained permission to import 4 000 units.

These went like hot cakes, and the Charade now has 12% of the local market. Now they are rolling off Alfa's own production line, with 66% local content.

To complaints that Alfa's import permit was costing jobs in the Eastern Cape car industry, Dr Bianco says: "It would have taken 80 workers

to produce those 4 000 cars, so I don't think we really hurt the job market."

He says that most manufacturers have been permitted to import ahead of production.

The Charade already has 12% of the small-car market, and this is expected to increase once production of the Mini and the Renault 5 ceases.

Dr Bianco reckons any potential rival to the Charade will need two years to get off the ground. Alfa's total investment in the Charade is R20-million.

The Charade indicates that Alfa SA is not wedded exclusively to Alfa Italy's products. It will make what's profitable, says Dr Bianco.

In addition to car manufacture, Alfa sells components

and Pirelli tyres to other manufacturers. It aims to pick up further franchises in this area.

The Alfa 33 represents a departure for Alfa Romeo because of its unusual concentration on interior luxury.

Until now, Alfa's volume products have tended to emphasise performance, road-holding and braking, but, compared with luxury mar-

Sec
hou

By
REA
give
and s
she l
run
and

At
also
In th
earn
basis
hous
Th
up b
chise
bert
launc
old l
brok
taria
ing s
'F
bore
I hav
for a
dream
own

By
MAK
tradit
group
nestr
uniqu
South

D. Dispatch
**Ciskei signs
Italian ~~textile~~ textile deal**
9/12/83 *69*

BISHO — An Italian textile company, Savio SPA had agreed to supply a plant for spinning mohair to a Ciskeian company, Ciskei Mohair, Ciskei's Department of Foreign Affairs announced yesterday.

The agreement, which was signed yesterday between the two companies involves a mill with a total value of R12 million. The plant will be leased to Cismo on a "turnkey" basis.

The mill will be situated close to the existing wool scouring plant, Southern Combing in Dimbaza, from which mohair tops will be supplied for processing by Cismo.

One aspect of the project will be a comprehensive training programme for Ciskeian technical and administrative staff, to be conducted both in Italy at Savia's textile machinery research centre and at various factories in Italy and Ciskei.

A separate agreement has been reached for international marketing of the entire production of the mill, while another renewable agreement will also be reached concerning the management of the mill by Savio until competent Ciskeians are available.

A director of Cismo, Mr D. G. Steyn, who signed the agreement on behalf of the Ciskeian company said the project represented a

breakthrough in attaining President Sebe's objective of using Ciskeian raw material in order to maximise export revenue.

Dr A Piccinini, president of Savio SPA signed the agreement on behalf of the Italian group. Dr Piccinini said Savio was a subsidiary company of a holding company of the Italian Ministry of State Holdings (Italian National Hydrocarbons Authority), or ENI. — DDR.

69

Insurance giant happy with SA

By Alec Hogg

EUROPE'S largest insurance company, the Trieste-based Generali group, is standing by to pump more money into South Africa if the need arises.

The chairman of Generali, Enrico Randone, made his first visit to SA last week. Dr Randone, whose group has assets of more than R15 000-million, was here to look at Generali's 84% subsidiary, Standard General Insurance Company.

He says Generali is satisfied with Standard General's performance. In spite of its attraction for other groups now that it is one of the few independent life offices left in SA, Generali says it is not for sale.

Dr Randone says: "We are satisfied with the growth, prestige and position of Standard General considering the highly sophisticated and competitive market in which it operates."

"I was impressed by the spirit and motivation I found among executives of the company."

"If the need should arise we will be prepared to financially support Standard General. At present its capital is more than sufficient to support new-business growth."

Generali bought a controlling interest in Standard General in 1957 as part of an overall plan to expand internationally. It made similar acquisitions in the US, Mexico and Australia.

The plan was adopted after the nationalisation of Generali's interests in countries which fell behind the Iron Curtain after the Second World War.

Although Standard General is still a minor part of Generali with only 0,6% of total assets in SA, its growth has been among the most spectacular of the group's 35 subsidiaries in 30 countries.

Assets have risen from R1,5-million when Generali

bought control to nearly R100-million, and premium income has increased from R2-million to R47,5-million.

Last year Standard General paid R5-million in life, disability and pension claims compared with R200 000 in 1957.

But the big surge has come recently. Premium income has doubled in the past three years and assets are twice as high as four years ago.

Surge

The growth seems set to continue. Standard General chief executive George Cavallieri says: "We are doing more new business in one month now than we did in the whole of 1977."

This achievement is all the more remarkable as Standard General is one of only two companies in SA whose products are sold exclusively through brokers — whose task it is to select for clients the best products available from all life offices.

R.D. 10/7/84 (1974-1975-1976-1977-1978-1979)

Alfa workers down tools over pay dispute

Mall Reporter

MORE than 800 workers at Alfa Romeo's motor assembly plant at Brits, Brits Engineering, downed tools yesterday following a deadlock over wages between management and the National Automobile and Allied Workers' Union (Naawu).

Sources at the plant said there was no production yesterday and workers waited inside the factory gates while management held talks in the afternoon with Naawu representatives.

However, Mr V Bianca, the managing director of Alfa Romeo South Africa, denied there had been a strike at all and said they were still discussing the problem "very, very peacefully".

Talks deadlocked last Friday with the company making a final offer of an 11c an hour across the board increase and the union demanding 50c an hour across the board.

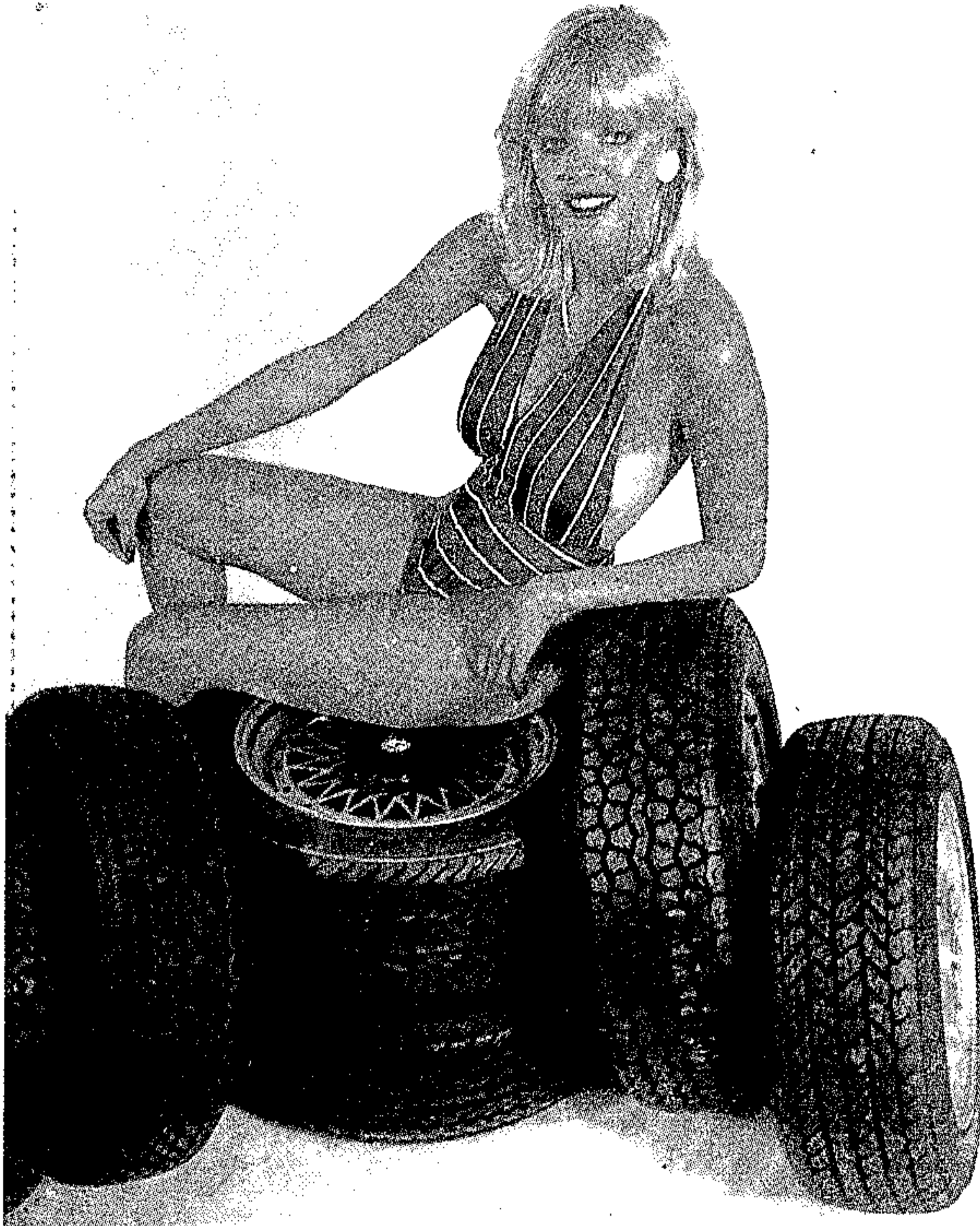
A Naawu statement said yesterday that the company had flatly refused to negotiate other conditions of employment if the workers did not accept the

11c an hour offer.

"The workers have expressed concern over this attitude of management and as a result decided to down tools".

The statement said the company had also refused to allow Naawu officials to take part in the discussions yesterday morning but a union spokesman said last night that union representatives had taken part in negotiations in the afternoon.

It is not known whether an improved offer was made by the company, but negotiations are to continue today.



Pirelli girl and tyres . . . but not quite the calendar style

Chance for someone ⁶⁹ to make ^{S-Times} Pirellis ^{2/9/74}

Business Times Reporter

WANTED — someone in South Africa to make Pirelli tyres.

Alfa Romeo, which has the Pirelli import franchise, is selling tyres at the rate of R800 000 a month and wants the tyres made here.

In another multi-million rand diversification, Alfa has become sole distributor of VM diesel engines, described by Alfa managing director Vito Bianco as "a Rolls-Royce among diesels".

Records

He says these engines, which hold several world speed and endurance records, are used by advanced manufacturers, such as Alfa, Rover and BMW marine.

They appear in Nato tanks, trucks, stationary power units, cars, boats and even in Ducati motorcycles.

The VM division and Alfa's growing accessory and diversified products division will be housed in a new head office building at Midrand, between Johannesburg and Pretoria.

Wildest

Dr Bianco tells Business Times that sales of Pirelli tyres have exceeded wildest expectations and more and more non-Alfa car manufacturers are switching, even though they are 50% more expensive.

"We want to make all kinds of tyres in South Africa and that means tyres for trucks and earthmovers as well as for expensive cars."

Whoever gets the franchise to make the tyres, says Dr Bianco, will have access to the most advanced technology in tyres.

The men from Alfa reckon Pirelli tyres are technically superior to most others in the market. Even though they are more expensive, addi-

tional wear and safety justify the outlay.

Alfa is confident that most up-market cars, even those competing with Alfa, will prefer Pirellis.

Rally switch

Dr Bianco says: "One reason the imported tyre has done so well is that rally crews are switching to it."

Pirelli of Italy and Dunlop of the UK have been divorced after a short partnership.

More news from Alfa is that it may assemble the Peugeot 505 for Amcar at its Brits plant and Currie Motors is to distribute its cars.

Alfa forecasts a 20% decline in national car sales in the next six months and is moving as fast as it can into other products to bolster profits, hence the tyre and diesel diversification.

Bleak

"Because of the low rand, the margins on cars are small at the moment. We can make a better profit on much lower rand sales of components and diversified products," says Dr Bianco.

Many commentators have speculated about one or more manufacturers closing down in SA because of the bleak motor outlook.

Dr Bianco pooh-poohs such suggestions. "People have talked about manufacturers closing for years. Remember 1976, when the outlook was far worse than this? Since then only Fiat has gone and it is having regrets. I don't foresee anyone disappearing — certainly not Alfa."

Dr Bianco says medium cars will be worst hit by the credit crunch.

"Our economy car, the Daihatsu, should do well in hard times. Because wealthy people always have money, the top of the line Alfa Six, the GTVs and 159i models should do relatively well. But the others will feel the pinch."

Italians will look at EL says head of Bomedco



EAST LONDON — Italian industrialists are to take a look at East London early next year.

"This to me was the most important part of the visit," Mr Walsh said.

This was confirmed here yesterday by the executive director of Bomedco, Mr Ted Walsh, following his European tour.

He had also received some further inquiries from overseas since his return, but he could not reveal from where the inquiries came or the nature of the inquiries.

"The interest in Milan was definitely the best and something positive has come out of it," Mr Walsh said of his tour which took in London, Bonn and Paris.

Mr Walsh said he could not elaborate on the nature of the Italian inquiries either. — DDR

MR WALSH: not the right time to lure investment

"I don't want to sound too depressing, but it is generally not the right time to be trying to lure industrialists because of the overall economic gloom.

"People seem to be deferring thoughts on investment."

Mr Walsh said the Italian industrialists would be doing a preliminary study of the area.

"They will also look at other centres," he said.

Mr Walsh said he had to field a lot of political questions during the trip, which was actually a working holiday.

The questions did not concentrate much on the new political dispensation.

"You must remember I was there at a time that Bishop Tutu was around and while the riots were taking place on the Rand. This, together with the overall economic conditions, prompted a lot of questions," Mr Walsh said.

The main thrust of the trip was establishing contact with trade councillors at various embassies.

RDM 13/12/84
69

Alfa injects R18m into SA operation

By DAVID FURLONGER
Industrial Editor

ALFA ROMEO has confirmed its commitment to the South African car market with the injection of another R18m into the local operation.

Dr Corrado Innocenti, the managing director of Alfa worldwide, announced the cash injection at the weekend at the national dealer conference in Durban.

He said the money would help the company weather the present economic climate, particularly exchange rate losses caused by the weakness of the rand.

Dr Vito Bianco, the managing director of Alfa Romeo SA, said yesterday the R18m was "for working capital — for liquidity".

Because of the company's losses, plans for a listing on the JSE had been temporarily shelved.

"To go public, you must have three or four years of good profit. For the last two years, we have been losing because of exchange rates. So we can't offer good prospects to the public. That will have to wait until the eco-

nomy has recovered." He would not be drawn on when he expected such a recovery, but said: "I can't believe that with a sound economic structure in this country, the recession will go on for ever."

Dr Bianco confirmed that Alfa had been holding talks with other car manufacturers on possible joint production. Among those he had met was Fiat, which pulled out of South Africa with heavy losses some years ago, but is now understood to be looking for a limited return.

Dr Bianco said Alfa's production plant at Brits was working at below 70% capacity — producing up to 12 000 vehicles a year of a possible 18 000.

Joint production would allow longer, more profitable production runs. "We will talk to anyone, but it is difficult to say who we will go to. Fiat is among those we are talking to, but because of the situation here, some companies are scared of investment. Maybe it will be different soon."

Alfa remains one of the few South African car-makers that has not ordered mass lay-offs of workers. Such action may not be far off, however. The company employs 1 200 work-

ers, 1 000 of them blacks. Of those, 800 are hourly paid.

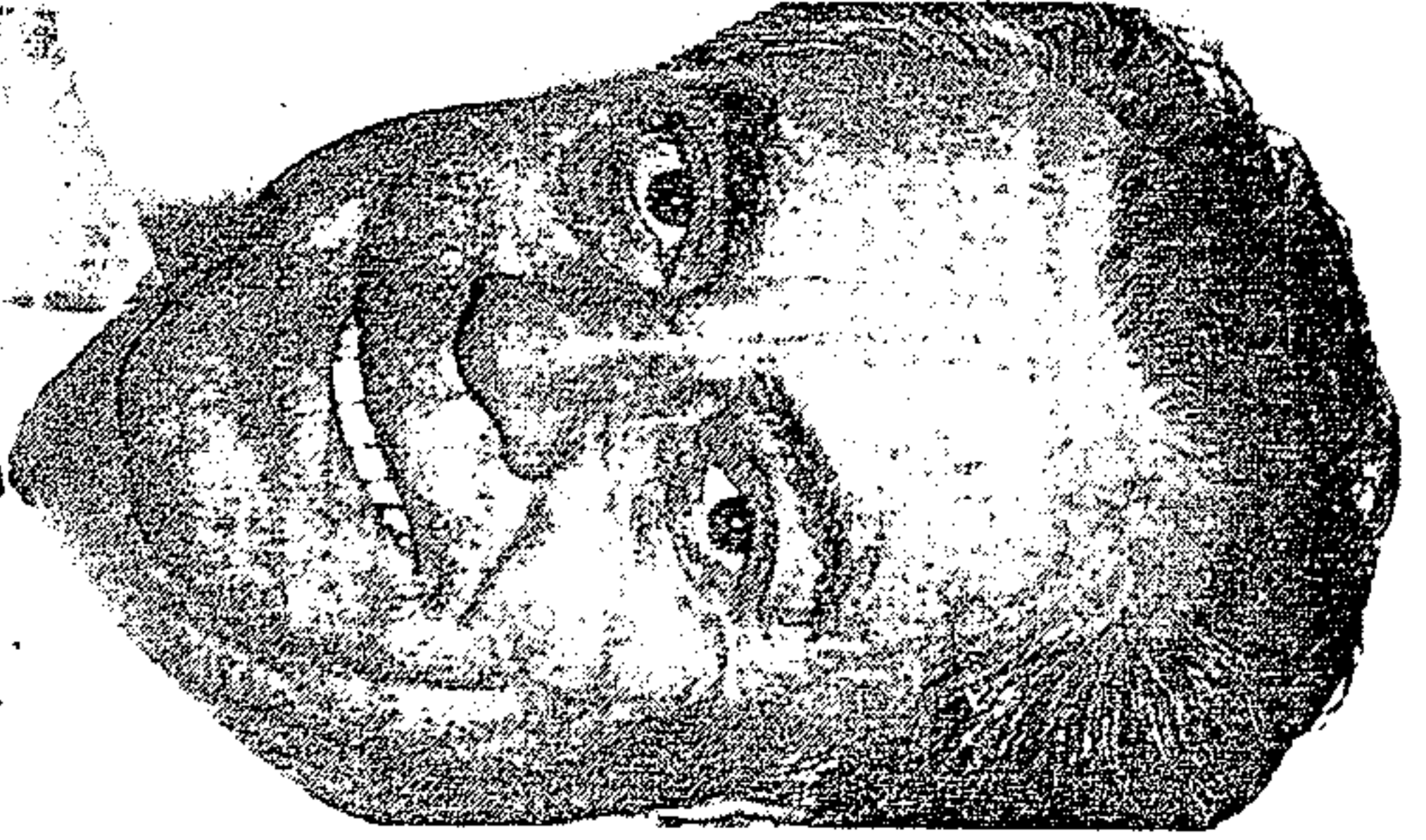
"We have been working a four-day week all year because of restructuring of the plant and because of increased productivity," said Dr Bianco. "But next year we want to go for five days."

"We have avoided lay-offs so far, but if there is no recovery, we will have to restructure the number of people."

Like many South African motor manufacturers, Dr Bianco is concerned by the cost of locally made components. It is generally agreed that local parts are more expensive and push up car prices. However, the 66% local content regulation means car-makers can do nothing to remedy the situation.

Asked how much cheaper cars would be with imported components, Dr Bianco said: "It's difficult to say because the situation is unbalanced through the change in the rand. When we did a study, there were different exchange rates. Now the same things are getting more expensive."

"Generally speaking, though, with up to 50% local content, we're all square. From 50% to 66%, the price goes up."



VITO BIANCO

NOVEMBER VEHICLE SALES SHOW 7,4% IMPROVEMENT

By DAVID FURLONGER
VEHICLE sales increased 7,4% last month, but remained well below levels of the same period last year.

Figures released yesterday by the National Association of Automobile Manufacturers of South Africa (Naamsa) show that total vehicle sales of 29 772 were more than 15% down on the previous November's 35 200.

Car sales also showed an improvement on October — up from 18 154 to 19 702, but were 13,8% down on November last year.

"The figures reflect very little joy or relief for the motor industry," said Mr Bert Wessels, the executive director of Toyota.

"The industry does not expect the economic situation to improve significantly during the first half of next year, so November saw a rush of in-

centive schemes and heavy discounting by some manufacturers to clear stocks.

"Ironically, those manufacturers most involved in the incentive programmes and discounting do not appear to have increased their market shares significantly."

Buyers are still going for the models which offer the best perceived value-for-money, quality and low depreciation and running costs.

Naamsa's director, Mr Nico Vermeulen, attributed the increase in car sales to three factors:

- the continuing stimulus provided by the recent introduction of new models;
- determined marketing efforts by manufacturers and the motor trade to move surplus stock; and
- pre-emptive buying to avoid likely car price increases early next year.

"On balance, market conditions remain very tight and while the slight improvement in sales is encouraging, the November new vehicle sales remain substantially below the level required in terms of investments and stabilised employment levels within the industry and associated industries," Mr Vermeulen said.

Sales of light commercial vehicles also showed marginal improvement last month, although from a continuing low base. At 8 467 units, sales were up 5,3% on October, but 19,3% down on November 1983.

Combined sales of medium and heavy commercial vehicles in November showed a tiny increase of 11 units over October. Compared to November 1983, the figure was down 13,4%.

Toyota once again dominated the new-car market, with the Corolla consolidating its position as the most popular car with sales of 3 585 units — outselling the entire car production of any other manufacturer.

Three of the top-five-selling vehicles last month were Toyotas. The Hilux bakkie outsold the second-placed car model, the Ford Sierra, by 1 847 to 1 467.

Next came Volkswagen's Golf/Jetta range with 1 388 sales, fourth the Toyota Cressida with 1 343 and fifth the Honda Ballade with 1 107.

"The market has shown a marked shift towards smaller cars," said Mr Wessels. "They used to make up 54% of sales, but rose to 64% in November when the market was influenced by new models, particularly the Corolla, Golf and Ballade."

Olivetti poised to manufacture computers in SA

69/5 Jan
20/2/85

By Stan Kennedy
 Though little of their intentions has been divulged by potential computer manufacturers since the call last year by the Minister of Trade, Commerce and Industry, Dr Dawie de Villiers, for South Africa to develop its own computer-manufacturing industry, an

embryo industry may not be far away.
 Since the introduction of computers some 30 years ago, South Africa has been mainly an importer and the country's installed base is estimated at anything between R800 million and R1,6 billion. Annual sales of com-

puters and computer-related equipment is reckoned to be in the der of R1,5 billion a year, and the establishment of a sound manufacturing industry could save the country millions of rands a year in foreign exchange.
 The Italian-based Olivetti group, seeing the

potential in South Africa as one of the fastest-growing markets in the world for computers, has given the local Olivetti company the go-ahead to enter into the manufacturing field.
 The only condition is that the local components manufacturers are able to supply at least 40 per-

cent of the content.
 Dr Paolo Tosi, managing director of the local company, told *The Star* that his company would consider a joint venture with a local company.
 He said a technical team had already been sent into the marketplace to gauge the ability of

local component manufacturers to meet his company's requirements. The investigation, he said, would take about four months although a broad outline of their capabilities could be expected in about four weeks.

"Most of the components we would require are available locally but whether there is sufficient volume is another matter. We are looking for about 40 percent local content to make the project a viable one.

"We would also want to increase the local content of our locally assembled electronic and manual typewriters, which is presently between 30 and 40 percent."

Since the launch of the Olivetti M24 personal computer and the M21 portable in mid-1984, the company has sold, on average, 400 units a month.

MANUFACTURER

Dr Paola said the existing facilities and premises at Robertsham would be adequate and that it would cost only a few hundred thousand rand to get an assembly line going for the manufacture of the M24, in the first instance, followed by the M21.

Olivetti operates in more than 120 countries. In 1978, it was mainly a manufacturer of typewriters, mechanical calculators and office furniture and had losses of \$53 million.

Today, it is the leading West European manufacturer of office-automation and data-processing equipment, with sales of \$2,24 billion and net profit of \$177,5 million. Sales increased last year by 22,5 percent.

Alfa reaffirms commitment after losing Vito Bianco

Star 69
4/3/85

Financial Staff

The resignation after 14 years of Dr Vito Bianco, vice-chairman and managing director of Alfa Romeo South Africa, has once more fuelled speculation about the future of the motor manufacturer in South Africa.

However, in its terse statement announcing the new management structure after Dr Bianco's departure, the company said that with the new appointments Alfa Romeo reaffirmed its commitment to its South African operation.

Alfa is tight-lipped about the reasons for Dr Bianco's move, but it had been suggested that the company wished to transfer him back to Italy, and he preferred to stay in South Africa.

He owns a farm in Warmbaths, and had been expected to retire in the near future, possibly at the end of this year when he will be 62.

It is thought that decision may have been hastened by differences between himself and the senior financial personnel who have recently come to South Africa from the parent company in Italy.

MAINSTREAM MANUFACTURERS

These include Dr L Lotti, a frequent visitor to SA in the past for auditing purposes, who becomes a director of the board but will continue to "commute" between South Africa and Italy. Alternate directors in his absence will be Dr G Marinelli, who joined the SA operation last October, and Mr M D'Errico, who also becomes financial manager.

Alfa Romeo is the smallest of South Africa's mainstream motor manufacturers. Its overall 1984 sales of 10 264 vehicles, including Fiat LDVs and Jap-

anese Daihatsu small cars and 4 x 4s, gave it a 2,5 percent share of the overall market last year.

That's a long way short of the company's one-time target of 20 000 vehicles a year by 1985, and is also slightly down on the previous year's figures of 11 560 and 2,9 percent.

That Alfa Romeo will withdraw altogether from South Africa seems unlikely, seeing that the parent company recently made an R18 million cash injection to help tide its subsidiary through the recession.

By now the company must also be heavily committed to the launch later this year of its new large car, the 90.

Ironically, the effect of economic conditions, compounded by the recent petrol price rise, means that the small 1-litre Daihatsu Charade is now Alfa Romeo's star performer.

As for the future, Dr Bianco has been quoted as recommending a policy of rationalisation and collaboration with other manufacturers.

In considering likely partnerships, Nissan is the name that springs most readily to mind. In Italy, Alfa Romeo recently established a joint venture with the Japanese company, whereby Nissan Pulsars fitted with Alfa Romeo power trains are built near Naples and marketed under the ARNA brand name.

In Europe that partnership has provided Alfa Romeo with a low-cost body and a cheap entry model at the base of its range, while providing Nissan with a foothold in the European market to bypass restrictions on sales of Japanese cars.

It is another matter, though, whether a similar arrangement would benefit either company in South Africa.

Italian motor men invest R28-m in SA

Weekend Argus
Correspondent

JOHANNESBURG. — The Italian motor manufacturer, Alfa Romeo, is to make a major investment in this country as part of a plan to move into the luxury car market now dominated by the two German manufacturers, Mercedes and BMW.

The company announced that it had:

- Injected R28-million into its wholly-owned South African subsidiary, Alfa Romeo SA.

Streamlining

- Revamped the management team in South Africa.

- Appointed the McCarthy group, Brian Porter Holdings and other strong companies as dealers.

- Approved a company-wide computerisation programme.

- Approved a streamlining

programme at its Brits assembly plant which would result in the production of a smaller range of higher quality cars.

"In short, a whole new Alfa Romeo is coming into being in South Africa," said Dr Gianni Marinelli, who was seconded from his post as corporate planning director of Finmeccanica, the holding company of Alfa Romeo, to become acting managing director of the local company.

Alfa Romeo cars have been assembled in South Africa since 1960 and the firm has operated its own factory for the past 12 years.

Dr Marinelli said: "After some time with acceptable results, maybe we became complacent and allowed the operation here to drift. Now Alfa Romeo has taken vigorous action to ensure that once again our South African operation makes and sells cars in the

true Alfa tradition.

"We're not expecting an instant turn-around, especially in view of the state of the South African economy. But by making the right moves now, we'll have everything in place to surge back in the next few years."

Slim down

Dr Marinelli gave details of the actions taken in the two months since he arrived here.

"The immediate need was to slim down the organisation in South Africa to a size justified by market-place conditions," he said.

"That has meant going through the painful process of reducing our employment total from the peak of 1 300 in July last year to 900 today."

But he said the company was expanding the staff in three key areas — marketing, sales and quality control.

Alfa charts course back to big league

By DAVID
FURLONGER

ALFA Romeo has announced a series of measures to put it back on course as a major South African motor manufacturer.

The measures include:

- A R28m injection from its Italian parent;
- Major management changes;
- New dealership appointments;
- A company-wide computerisation programme;
- Streamlining of the Brits assembly plant to produce a smaller range of higher-quality cars.

The changes were announced at the weekend by Dr Gianni Marinelli, who became acting man-

aging director after the resignation earlier this year of Dr Vito Bianco.

Dr Bianco's resignation was accompanied by rumours he had been forced out by Alfa's Italian parent, which was said to be dissatisfied with the way its South African operation was heading.

Dr Marinelli hinted as much at the weekend when he said: "Alfa Romeo cars have been assembled in South Africa since 1960 and we have operated our own manufacturing plant for the past 12 years. After some time with acceptable results, maybe we became complacent and allowed the operation here to drift."

"Now Alfa Romeo has taken vigorous action to ensure that once again our South African operation makes and sells cars in the true Alfa tradition."

Confirming Alfa had no plans to leave South Africa, he said: "It was in South Africa that we chose to place our only motor assembly plant outside Italy and we're in no mood to close down or sell out to some other organisation just because of one bad year, or even a couple of bad years."

"We're not expecting an instant turn-around, especially in view of the state of the economy. But by making the right moves now, we'll have everything in place to surge back in the next few years."

The R28m injection from the Italian parent includes R18m announced late last year for new tooling. The remaining R10m is in the form of a low-interest loan.

Dr Marinelli said Alfa had laid off 400 workers in recent months.

"The immediate need was to slim down the organisation to a size justified by marketplace conditions."

In line with staff cuts, the company had stopped contract assembly of Fiat pick-ups and cut the number of variations on Alfa and Daihatsu cars to a minimum.

He said Alfa planned new model launches later this year.

The company expected in the current financial year, "a significant improvement on last year's performance".

Alfa slams continued pull-out rumours

B. Day
ALAN PEAT

DOUBTS about Alfa Romeo's continued presence in South Africa are misplaced, says the company.

Consistent motor industry speculation that Alfa plans to pull out has heightened recently with the withdrawal of several dealers.

One of those to leave Alfa was VSA, regularly among the manufacturer's most successful dealerships.

MD David Ras says: "We pulled out because of doubts about Alfa and the general condition of the car business."

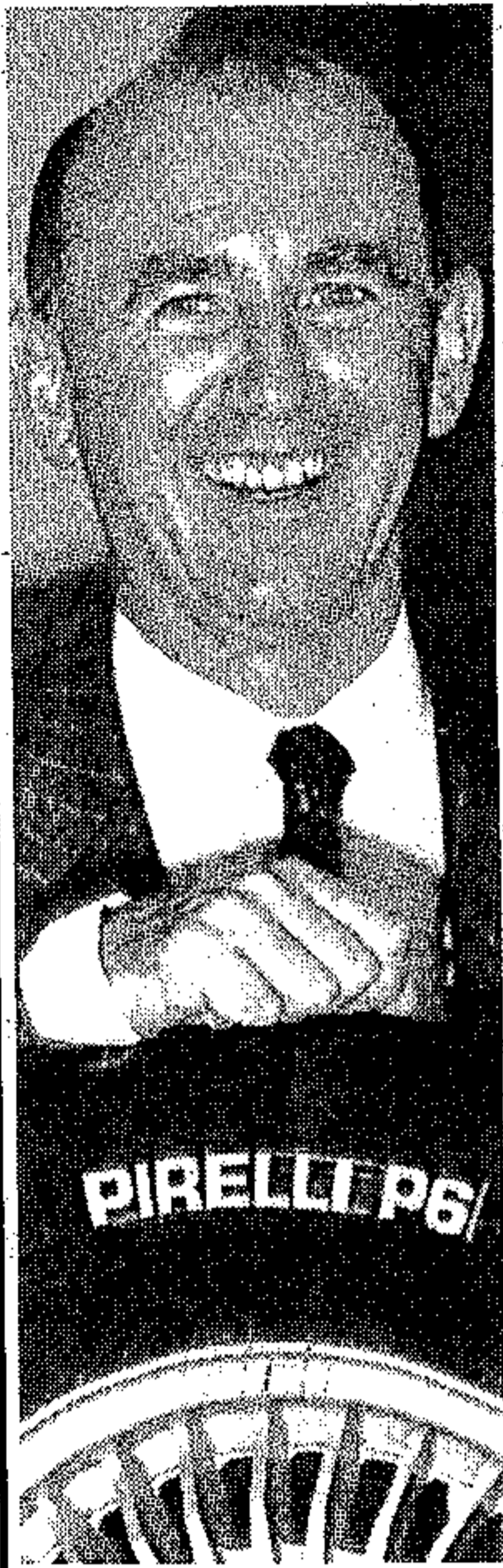
Alfa spokesman Eon de Vos: "While we regret that doubts about our staying are leading to dealer withdrawals, we are replacing them with operations which are just as viable."

Recent tie-ups have included the McCarthy Group in Natal, the Brian Porter group in the Cape, and two new dealerships in the Transvaal. The Bill Troskie group now covers Alfa in the Free State.

De Vos says recent Alfa investment in SA signals anything but a withdrawal with the Italian parent recently having put up R10m in working capital and made available an R18m loan.

(69) S-timer

1/9/85



Drew Donald ... aims to double market share

Superite gets Pirelli tyre agency

By Don Robertson
ALFA ROMEO has lost the Pirelli tyre agency in South Africa to Superite Automotive, specialists in the manufacture of exhausts.

The distributorship, worth about R6,7-million annually in retail sales, has been held by Alfa for about 18 months. But because of a decision by the motor manufacturer to concentrate on the sale of cars, the two groups decided in Italy to part company.

Slow moving

Alfa will co-operate with Superite Automotive (formerly Quinton Hazell Superite) by continuing to provide service and distribution of the tyres until the switch takes place at the beginning of October.

An Alfa spokesman says it was agreed that the Alfa dealer network was not specialised to sell tyres, nor were dealers interested in selling them.

In addition, the stock was slow moving and occupied about 30% of the floor area at the company's new premises in Midrand. The premises will be used for additional workshops and storage of CKD components. Alfa will also drop other peripheral activities, such as the sale of sport wheels.

Better job

The association between Pirelli and Superite makes business sense as Superite has a close association with major motor manufacturers through its supply of exhaust systems as original equipment and its chain of 32 Mr X-Haust/Mr Tyre franchises which supply the after-market.

Orazio Conte, Pirelli's representative in South Africa says the decision to

switch distributorships was taken in Italy and followed an Alfa decision to concentrate on the sale of cars.

He believes that Superite, part of the Unihold Superite group, will be able to do a better job than Alfa and that its relationship with the industry will allow Pirelli improved access to manufacturers.

Vito Bianco, formerly managing director of Alfa, acts as management consultant to Pirelli in South Africa.

However, Pirelli will look only at supplying certain performance models with tyres as original equipment.

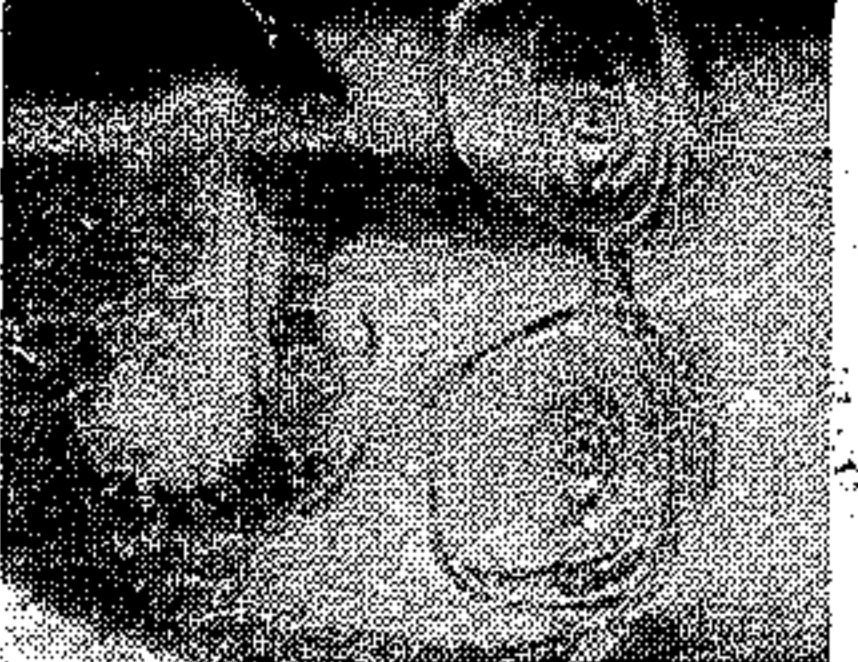
Truck sector

Drew Donald, recently appointed chief executive of Superite says Pirelli will fit in well with the company's distribution network.

Imported car tyres have about 10% of the SA market, of which Pirelli has 5%. "It is our intention to double this within the next year. We also see sales in the light and heavy truck sector as a major market opportunity."

Superite Automotive, one of three main divisions in the Unihold group, hopes to break even this year after last year's loss of about R2-million. Before the Pirelli deal, turnover was forecast at R25-million.

n
e
i-



● MARINELLI

Alfa Romeo to cut back dealerships and models

ALFA ROMEO is to announce major cutbacks in its dealer network and model range this week. A full statement from the company is expected tomorrow or Thursday.

Alfa spokesman Eon de Vos confirmed last night that MD Gianni Marinelli would make a statement following a week of talks in Italy, where he attended a board meeting of the parent company.

ALAN RUDDOCK

"Obviously, the future of Alfa Romeo SA was discussed by the board," said De Vos.

Speculation has been rife all year that the loss-making manufacturer will pull out of SA. In the past few months, Alfa has been drastically slashing new vehicle prices in an attempt to move stock.

Rival manufacturers said Alfa dealers had approached them in recent weeks with a view to changing franchises.

De Vos said Alfa could not comment on that, but said the dealers were free to enter into negotiations with other manufacturers.

He said Marinelli was in Cape Town yesterday discussing rationalisation plans with Alfa's Cape dealerships.

"Our dealership network has just been too big in the past for the volume of our sales. We will have to look at rationalising our dealerships. At the moment, the three biggest Alfa dealers do 70% of our total sales," said De Vos.

Alfa dealers contacted by *Business Day* were unwilling to comment on Alfa's rationalisation plans and refused to say whether they had contacted other manufacturers.

1983

69

B. Day

10/9/83

1 m m

172

to the ... brought all this to the ...

Business Day

THE NATIONAL NEWSPAPER FOR DECISION MAKERS

Alfa Romeo decides to quit SA in wake of rand crisis

69 B. Day 12/19/87

ALFA ROMEO is pulling out of SA, MP Gianni Marinelli said last night.

Marinelli said mounting financial pressure compounded by the falling rand had forced the decision.

He said, however, Alfa was working closely with its dealer network to ensure continuity in workshop facilities, after sales service and the supply of parts countrywide.

ALAN RUDDOCK

Alfa's decision had not been influenced by political pressure, he said.

Marinelli said Alfa had sustained losses amounting to tens of millions of rands in the past three years and had accrued increasingly heavy losses. The market crisis had exacerbated the com-

pany's problems.

"Unfortunately, the recent dramatic deterioration of the rand exchange rate and the persistently poor market conditions have destroyed the possibility of a recovery in the short term."

"Long-term prospects would have involved ongoing losses and necessitated a considerable injection of new capital,

which the Alfa Romeo group could not accept.

"Taking all these factors into account, it has been decided to halt further investments in the SA company and to suspend the production and sales operation activities."

Alfa would wind down its operation over the next three months, but the production plant would continue to operate

until back orders had been fulfilled, Inelli said.

The closure of Alfa's Brits factory affect about 500 people. "Everything possible will be done to help workers other employment. Negotiations are under way to sell the factory to a manager, and should this sale materialise, many of the workers might thus be employed."

on-the-spot examination, says Escott

AN EXTRA R20000

TRADE IN YOUR CARTODAY

CINNAMON ROLL

20 Elot 91 JHB 791. 331

Business Day

THE NATIONAL NEWSPAPER FOR DECISION MAKERS

a Romeo decides to quit SA in wake of rand crisis

ALAN RUDDOCK

Alfa's decision had not been influenced by political pressure, he said.

Martelli said Alfa had sustained losses amounting to tens of millions of rands in the past three years and had accrued increasingly heavy losses. The market crisis had exacerbated the com-

pany's problems.

"Unfortunately, the recent dramatic deterioration of the rand exchange rate and the persistently poor market conditions have destroyed the possibility of a recovery in the short term.

"Long-term prospects would have involved ongoing losses and necessitated a considerable injection of new capital,

which the Alfa Romeo group could not accept.

"Taking all these factors into account, it has been decided to halt further investments in the SA company and to suspend the production and sales operation activities."

Alfa would wind down its operation over the next three months, but the production plant would continue to operate

until back orders had been fulfilled, Martelli said.

The closure of Alfa's Brils factory will affect about 500 people. "Everything possible will be done to help workers find other employment. Negotiations are under way to sell the factory to a manufacturer and should this materialise, many of the workers might thus be employed."

ailed on-the-spot examination, says Escom

AN EXTRA 220000
TRADE IN YOUR CAR TODAY
CITY MOTOR GROUP
20 Eloff St JHB Tel. 331-0351

GUY (P) B ELLIOTT

B. Day

12/9/85

CMG 022

Alfa stabbed us in the back, says trade union

ALFA Romeo's decision to withdraw from South Africa drew mixed reaction yesterday.

While other motor manufacturers said the decision was expected, angry union officials described it as Mafia-like.

Naawu — the National Automotive & Allied Workers Union — said Alfa had stabbed workers in the back.

The closedown is expected to cost more than 500 jobs at Alfa's Brits plant.

Accusing MD Gianni Marinelli of betrayal, Naawu said: "The company was challenged on August 22 to make its position clear and the company gave workers an assurance that it was here to stay."

Peter Searle, president of the manufacturers' organisation, Naamsa, blamed official restrictive monetary and fiscal policy measures and a sharply lower and volatile rand exchange for the motor industry's problems.

He said Naamsa regretted Alfa's impending departure at a time of already serious unemployment in the industry.

Alfa dealers said they had received a

ALAN RUDDOCK

number of offers from other manufacturers. Arnold Chatz said Alfa dealers with strong and reliable reputations would have no difficulty securing new franchises.

He said dealers were looking to Alfa for some assistance in the next few months, especially those who were carrying a lot of stock.

Uncertainty still remains over the fate of the Daihatsu Charade, which was manufactured and distributed by Alfa in SA.

Alfa spokesman Eon de Vos said Alfa had told Daihatsu of its decision and negotiations would take place directly between Japan and interested local manufacturers.

Industry sources suggested last night that BMW might step in.

BMW spokesman Mike Brandt said the possibility couldn't be ruled out, but denied negotiations were under way.

"We are always happy to look at good business propositions if they fit in with our marketing strategy," said Brandt.

Business

10

MONDAY, SEPTEMBER 10, 1975

More foreign car manufacturers may leave SA

CAPL Times 16/9/75

69

Own Correspondent

JOHANNESBURG.— At least two more foreign motor manufacturers are expected to pull out of South Africa in the next year.

After Alfa Romeo's decision last week, that it could no longer absorb its losses in this country, industry officials and observers alike are confident more departures are on the way.

The managing director of Samcor, Mr Spencer Sterling, whose own company is the result of major industry rationalisation between Anglo American and Ford, said: "We confidently expect further rationalisation developments within the industry in the next 12 months."

Nissan

Nissan chairman Mr Peter Whitfield expressed the views of many manufacturers when he said: "It is difficult to be the first one to pull out. It is much easier to be the second or the third."

With Alfa gone, most industry officials are predicting General Motors could be next. Management of the loss-making company's American parent are due to meet in Detroit today to discuss the South African operation.

Although the company has been a favourite target of the United States anti-disinvestment lobby, any decision on the future of the South African subsidiary is likely to be taken on economic,

rather than political, grounds.

GM, the world's biggest carmaker, is only sixth in South Africa and the new managing director, Mr Bob White, admits the company cannot keep accepting losses for ever.

He said recently: "Someone at GM is obviously looking at the totality of the GM business in SA in terms of profits. And I would have to suspect that with the kinds of losses we had last year, and that we're going to have this year, you have to wonder if it's worth it in the long pull."

"So far, GM has said it is worth it. But at some point that evaluation could change."

Renault

Renault is also expected to make an announcement on its future this week. Senior officials returned from France at the weekend after talks with management there.

Regie Renault, the French State-owned motor giant, is drawing in its horns after sustaining heavy losses worldwide. In view of the French government's recent stance on South Africa, the local operation could be in jeopardy, although sources say local Renault officials returned from France "with a smile".

Other companies at the centre of speculation in recent days have been Peugeot, which has yet to announce plans after the break-up of its relationship with Samcor, and Leyland.

Observers point out

Leyland's future is tied in heavily with Renault, for which it assembles vehicles at its contract assembly plant in the Western Cape.

Leyland has been scouting round for some time to find more work for the plant. Among those it is understood to have been wooing is Peugeot, in view of suggestions by the French manufacturer it would consider a joint operation with Renault.

Should the two carmakers abandon the market, however, it would put additional pressure on Leyland, which has already pared its operations considerably following its decision some years ago to cease manufacture of its own cars here.

Although it is unlikely to abandon its truck and bus operation, it could be forced to find some other ways of cutting losses.

Ford sales up 61.9 percent

DEARBORN. — The Ford Motor Company announced yesterday that its domestic car sales for the September 1-10 period rose 61.9 percent to 63 674 from 39 328 a year earlier.

Ford said early September truck sales increased 7.3 percent to 25 934 from 24 162. Cumulative truck sales were 882 768, up from 805 441 last year.

The company said the daily selling rates set records for the early September period. — Reuter

t
n
g
r
t
t
a
e
n
t
l
o
e
r
i,
e
y
e
n
k
y
i-
L
v-
e
e
p-
is
il
j-
B-
E-
ie
W
Dr
er
ag
as
ty
e-
e,
id
o-
P-
xt

M
n
S
a
c
t
i
S
P
S
J
Q
T
S
S
G
i
n
e
r
o
f
p
o
v
o
f
f
e
j
o
b
e
j
o
d
a
e
a
p
l
s
e
i
g
r
s
u
l
i
n
t
y
e
e
r
e
n
o
S
A
C
H
C
d
r
o
u
e

69

Alfa dismisses 600 on strike for severance pay

B. Oany 18/7/85

ALFA ROMEO yesterday dismissed about 600 workers from its motor assembly plant at Brits.

The move came after they went on strike to demand severance benefits, the National Automobile and Allied Workers' Union (Naawu) said.

Last week Alfa Romeo said it would shut its 22-year-old manufac-

turing plant and distribution operation.

Alfa said it was withdrawing from South Africa because of heavy losses resulting from a steep downturn in the domestic motor industry.

The union, which represents most of the strikers, said workers at the factory downed tools on Monday in

protest against the company's refusal to negotiate plant closure benefits with the workers.

A spokesman for Alfa denied that the company refused to discuss severance benefits with workers.

"We have negotiated with them and have proposed better benefits than they could expect at this stage," the spokesman said. — AP-DJ.

Jobless tell of gloom ahead

Business Day 29/10/75

AN ATMOSPHERE of economic doom hangs over the small town of Brits, in the Western Transvaal, after Alfa Romeo's decision to withdraw from South Africa.

The close-down cost more than 500 jobs.

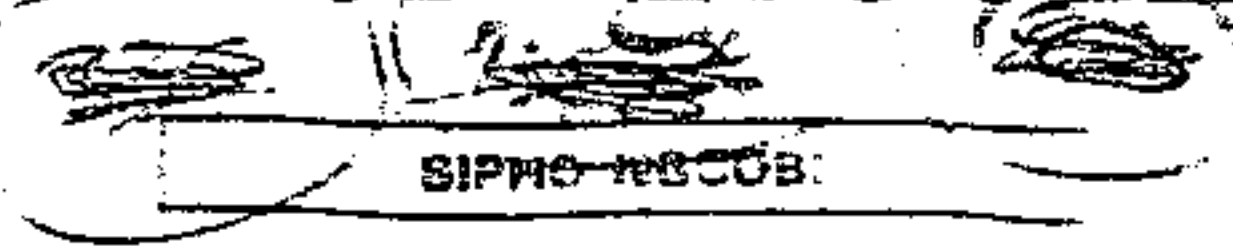
Half of the 2 000-strong industrial workforce in Brits are now unemployed.

About 1 800 workers have been retrenched since August last year.

Alfa managing director Gianni Marinelli said mounting financial pressure compounded by the deterioration of the rand and poor market conditions had forced the company to disinvest from SA.

Workers are pessimistic about the future. They have meagre severance packages. There are no jobs. Most firms are already on short time.

Business Day spoke to some of the workers laid off. Working on a



temporary basis, they were pushing the last of the products through the assembly line before the company bows out at the end of November.

Jonannes, who had been with the company for five years and worked on the assembly line for R2.79 an hour, gave a deep sigh as he referred to his severance pay of R600.

"This sudden closure is a blow to me. For some time I had heard rumours that the plant was to close, but some top management people assured us we were not closing down," he said.

"I have a big family to support and accounts to pay. I took home a mere R600 as severance pay, which is really nothing if one takes

into account the bad time.

ASKED about future job prospects, Jonannes shook his head.

"A job in this town? No, none. Even when times are not as bad as they are at present, I know of people who have been out of work for years."

Moshe Mahlaela, a shop steward of the National Automobile and Allied Workers Union, Naawa, and one of the first to be laid off, said the loss of jobs was devastating.

Mahlaela, who is married with two children, told of his tears for the future.

"There are no prospects for alternative employment in this area. One must just brace oneself for the worse times to come, a confrontation with frustration. We will be loitering in the streets with empty stomachs in a few months time," he said.

11/10/85 69 5 Times 3/11/85

Kangra in merger with Italian group

By Brendan Ryan

GRAHAM Beck's Kangra coal group has clinched a merger with Icodev, the South African coal subsidiary of Italian energy group Agip Carbone.

The merger has led to the formation of a group which will eventually export annually 4.5-million tons of coal, currently worth about R400-million.

Details are sketchy, but the deal was signed in Johannesburg this week by Agip chairman Francesco Cossrini.

Mr Beck, a multi-millionaire better known to the public for his horse racing activities than his coal-mining operations, could not be reached for comment this week.

Details

Icodev managing director Alan Tew said. "In broad terms, there has been a merger of interests in South Africa between Kangra and Icodev in relation to bituminous coal."

A company had been formed to control Kangra

and Icodev. Details of how it would operate and representation at board and management levels were still being made final.

Mr Tew declined to disclose whether there had been any cash payments between Kangra and Icodev.

He said the deal showed Agip's determination to stay in South Africa and develop its interests.

Agip had held discussions with Gold Fields of South Africa (GFSA), but no agreement was reached.

Reserves

Both GFSA and Kangra have coal deposits close to those held by Icodev in the Carolina district of the Eastern Transvaal.

Icodev has coal reserves and a 2-million ton Phase 4 export quota, but no mining operations.

Kangra, wholly owned by Mr Beck, runs several collieries. It exports 1.15-million tons of anthracite annually through the Anthracite Producers Association (APA) and 1.1-million tons of bituminous coal through the

Natal Associated Collieries (NAC).

Kangra also has a 350 000 tons a year provisional Phase 4 export allocation.

The deal is another expansion of Mr Beck's coal-mining interests which have taken off since he bought Anglo American Corporation's 48% stake in Natal Coal Exploration (NCE) in 1978.

Another step

In 1982 he consolidated his grip on NCE through an internal deal in which he sold it the Longridge colliery in return for shares. NCE also acquired the Bee Sting colliery near Ogies.

NCE subsequently acquired the Springlake colliery, also from parent Kangra.

Kangra eventually raised its stake in NCE to 90% in October 1984 and this year took out minorities to make it a wholly owned subsidiary.

The latest deal provides Mr Beck with a 50% share in Icodev's 2-million ton Phase 4 export quota. Icodev has linked up with an existing producer whose infrastructure can be expanded to exploit its reserves.



AKK 20/11/65 The President's Council
'Equal participation, less restriction'

Political Staff

SOUTH Africa's economic policy should be based on equal participation with less administrative restriction, the President's Council's economic affairs committee has recommended.

The 125-page report on a strategy for small business development and deregulation was unanimously accepted by the committee under the chairmanship of Dr F P Jacobs.

In setting out the basis for economic policy the committee said the philosophy underlying the policy should be the fundamental importance of employment in creating economic growth, particularly in the formal sector.

The general approach to economic policy should be a minimum of restrictions on

entry into small business, the removal of restrictions on the basis of race and a constant review of policy measures on small business.

The committee also recommended that South Africa's development policy should have as a principle that entrepreneurial talent in the informal sector should be "nurtured and not persecuted."

The members of the committee were Mr F J Potgieter, vice-chairman, Mr G D Bornman, Mr P P M Chetty, Mr C M Collins, Mr J M Henning, Mr D J Hough, Mr E Ismail, Mr P J Klink, Mr P Partuman, Mr J A Pickard, Mr C J Pierce, Mr I E Finshaw, Commandant L F Poorter, Mr T D Potgieter, Mr J G Rennie, Mr D J Smit, Mr F E Swartz and Mr J Wilkens.

(69) S. Times 1/12/85
Pirelli back

Business Times Reporter

PIRELLI tyres are to be re-launched in SA in January.

Their return follows the acquisition of the Pirelli distributorship by Superite Automotive from Alfa Romeo some months ago and the restructuring of the warehouse and dealership networks.

The company hopes to dominate the ultra low profile (ULP) market in SA by capturing a 10% to 15% share of imported tyre sales which account for 10% of the total market.

Steve Thomas, general manager of the Pirelli division of Superite, says the tyres are used as original equipment on 84 car models — more than all the other producers of ULP tyres together.

FOREIGN FIRMS IN S.A

- ITALIAN -

OCTOBER '90 - APRIL '97

Italian sanctions 'not binding'

ITALY's sanctions against new investment in SA are no longer legally binding, an Italian trade official believes.

Italian trade commissioner in SA Massimo Sponzilli said yesterday, that with EC economic unity looming, the Italian legislature had introduced new "liberal" laws affecting trade, commerce and industry. Some of these affected sanctions against SA, he said.

In terms of a mid-1980s EC sanctions agreement, member countries were forbidden to make new investments in SA, to buy minerals or to import SA goods, Sponzilli said.

"Now we are in a position where capital can be moved freely between Italy and SA. In Italian law, if a new piece of legislation is brought onto the statute books and a clause contradicts the previous law, then the new legislation cancels out the old one.

"Strictly speaking there is now no longer any law forbidding Italian investment in SA. There is only a moral obligation on the potential investor to uphold sanctions," he said.

LINDEN BIRNS

The Italian Embassy yesterday took a contradictory stance to Sponzilli. Commercial desk head Alessandro Cortese said he was convinced sanctions, even on investment, were still in place.

"For commercial trade it's open. The problem is with capital inflow from Italy to SA. This is still illegal. We only have a problem in controlling this, but if you get caught investing then you have been caught acting illegally," Cortese said.

Italian import figures for the first half of this year reflect a 4% increase over the same period in 1989. Italian export figures are 12% down on the 1989 figures.

Figures for 1989 showed an increase of almost 30% in bilateral trade compared with 1988 figures.

In 1989 Italian imports from SA were worth R7,2bn, while exports to SA were R1,85bn.

Figures for the first six months of 1990 reflected total imports worth R3,3bn, while exports were valued at R900m.

LIVING up to their reputation for quick reflexes, the Italians have reacted more rapidly than most other leading economic powers to the changing situation in SA.

A 20-man delegation from Italy's most powerful business organisation, Confindustria, representing 110 000 firms, is in SA for an intense four-day round of meetings.

The mission is headed by Confindustria's "Mr Foreign Trade", Rosolino Orlando, who is also associated with one of the biggest non-ferrous metal groups in the world.

It is broadly based, with representatives from various parts of Italy and major industries such as Fiat, construction companies, and Milan's famous establishment bank, Mediocredito. They are seen as the power behind many a business throne.

The Italian Banking Association is represented by Amerigo Gori, who will soon be making another visit to SA with a more specialised bankers' group.

Italians react quickly to a changing SA

Earlier this year, President F W de Klerk's visit to Rome was particularly successful, as was that of the Trade and Industry Minister Kent Durr. In a very significant step, Italian Foreign Trade Minister Adolfo Battaglia came to SA six months ago, giving an important "green light" to other visits.

SA is said to be of particular interest to Italian Foreign Minister Gianni de Michelis, who could be the man to lead Europe away from anti-SA sanctions.

Italy is already SA's biggest market in Europe: at \$1.97bn, thanks to purchases of a range of products, principally coal, platinum, silver and gold. One-sixth of SA's gold goes to Italy, the world's biggest manufacturer of gold jewellery.

SA also runs its biggest trade surplus with Italy — \$1.5bn last year. So

DESMOND COLBORNE

Italians want to sell more to South Africans who, they feel, have not fully realised that Italy vies with Britain as the world's fourth industrial power.

In 40 years, Italians have carried through an industrial revolution. Today Europe's best known businessmen are Italians — Agnelli of Fiat, Benedetti of Olivetti, media magnate Berlusconi, and the agricultural-chemicals tycoon, Gardini.

These men run huge multinational groups. But the strength of Italian industry is its range and diversity.

The Italians have grafted computer and other modern technologies onto age-old traditions — family and

provincial loyalties, for instance. Then there is their fabled sense of style, which comes through strongly in design and marketing methods.

There is striking contrast between Italy's private and public sectors. The private business sector rivals Japan in export-mindedness, cost-cutting and productivity boosting. But the public sector, one of the largest in the West, lags far behind.

The state employs nearly one-fifth of the workforce, not only as civil servants but in running banks, business and other state enterprises.

The state sector performs poorly, and public debt is escalating.

Italy is also particularly vulnerable to the latest oil shock. Net oil imports represent 1.4% of GNP, the highest degree of dependency than any of its major competitors. Not surprisingly, the stock market has

tumbled by 17% since the Gulf crisis started.

This, together with further deterioration in public finances, forced the government to warn Italians last week that they had their "backs to the wall" and must carry through major structural reforms in order to maintain their leading place in Europe.

One political leader, a left-winger at that, has said: "The English should lend us Mrs Thatcher... on condition they take her back after three years".

Some form of homegrown Thatcher-style fundamental reform — what the Italians call Grande Riforma — is now overdue, but is surely not beyond the capacity of the country of perpetual renaissance.

Meanwhile South Africans — with the help of 80 000 Italians living here — need to work harder on their profitable Italian connection.

Colborne is Paris director of the SA Foundation.

REVIEW

'Progress' on R2bn investment

MIKE ROBERTSON

DISCUSSIONS with Italian state-owned corporation ENI on possible new investment of more than R2bn in chemical, plastic and related industries in SA have reached an advanced stage, Trade and Industry Minister Kent Durr said yesterday.

Durr has just returned from a 12-day visit to Italy, where he met ENI president Gabriele Cagliari and held talks with several Italian cabinet ministers.

They included Trade and Industry Minister Adolfo Battaglia and State Participation Minister Carlo Fracanzani. Durr was also received by Vatican Prime Minister Agostino Casaroli. *B104 18/7/10*

Durr said yesterday he was encouraged by the meetings. There were several promising opportunities for improving trade links between Italy and SA. A delegation of the Italian business organisation Confindustria would visit SA later this year to

discuss joint projects.

The Italians were interested in discussing joint ventures — particularly beneficiation of a wide range of raw materials.

Italy was developing into a post-industrial society and had increasing pollution problems, he said. For this reason the businessmen and politicians he had met were keen that Italy import beneficiated products rather than raw materials.

Durr said he had discussed with Battaglia the possibility of bringing highlights of a "state of the art" handicrafts exhibition, which he had attended in Italy, to SA.

Casaroli, he said, had told him the Vatican was watching developments in SA with great interest. "I was impressed by his understanding of our situation. He... was confident that a just solution could be found."

Mandela arrives in Rome ⁶⁹ to meet Pope, govt leaders ^{Star 15/6/90} ^{ATB}

By Esmaré van der Merwe,
Political Reporter, and Reuter

ROME — ANC deputy president Nelson Mandela arrived in Rome from Strasbourg last night for an audience with Pope John Paul II and talks with Italian government leaders today.

After his meeting with Prime Minister Giulio Andreotti and Deputy Prime Minister Claudio Martelli, Mr Mandela will address a press conference before departing for the Netherlands — a last-minute inclusion in his schedule.

Last night Mr Mandela, on the fifth leg of his mission to Europe, said he was well pleased with the day's results at Strasbourg, where the European Parliament voted overwhelmingly in support of a motion that sanctions against South Africa must stay.

The EC will review its sanctions policy on June 25 in the light of political changes made in South Africa.

Mr Mandela missed a lunch with European Community development commissioner Manuel Marin yesterday and postponed another meeting for two hours in order to get some rest.

Before meeting the Pope in a private audience at the Vatican at 11 am, the ANC leader was scheduled to be welcomed at the city hall and to receive honorary citizenship of Rome from the mayor.

The rare honour was bestowed on him in 1983, while he was still in prison.

"The ceremony will take place in the Great Hall of Caesar and he will at last be able to receive the medal himself," the ANC representative in Italy, Benny Nato de Bruyn, said.

Stc 11/6/90

Fiat Uno helps boost car sales

By Sven Lünsche

The launch of the Fiat Uno boosted overall new car sales in May after they had plunged by 23 percent in April.

Figures released by the National Association of Automobile Manufacturers (Naamsa) show that new car sales increased by 4,281 units, or 29,6 percent, to 18 712 units last month, compared with the April figure of 14 431.

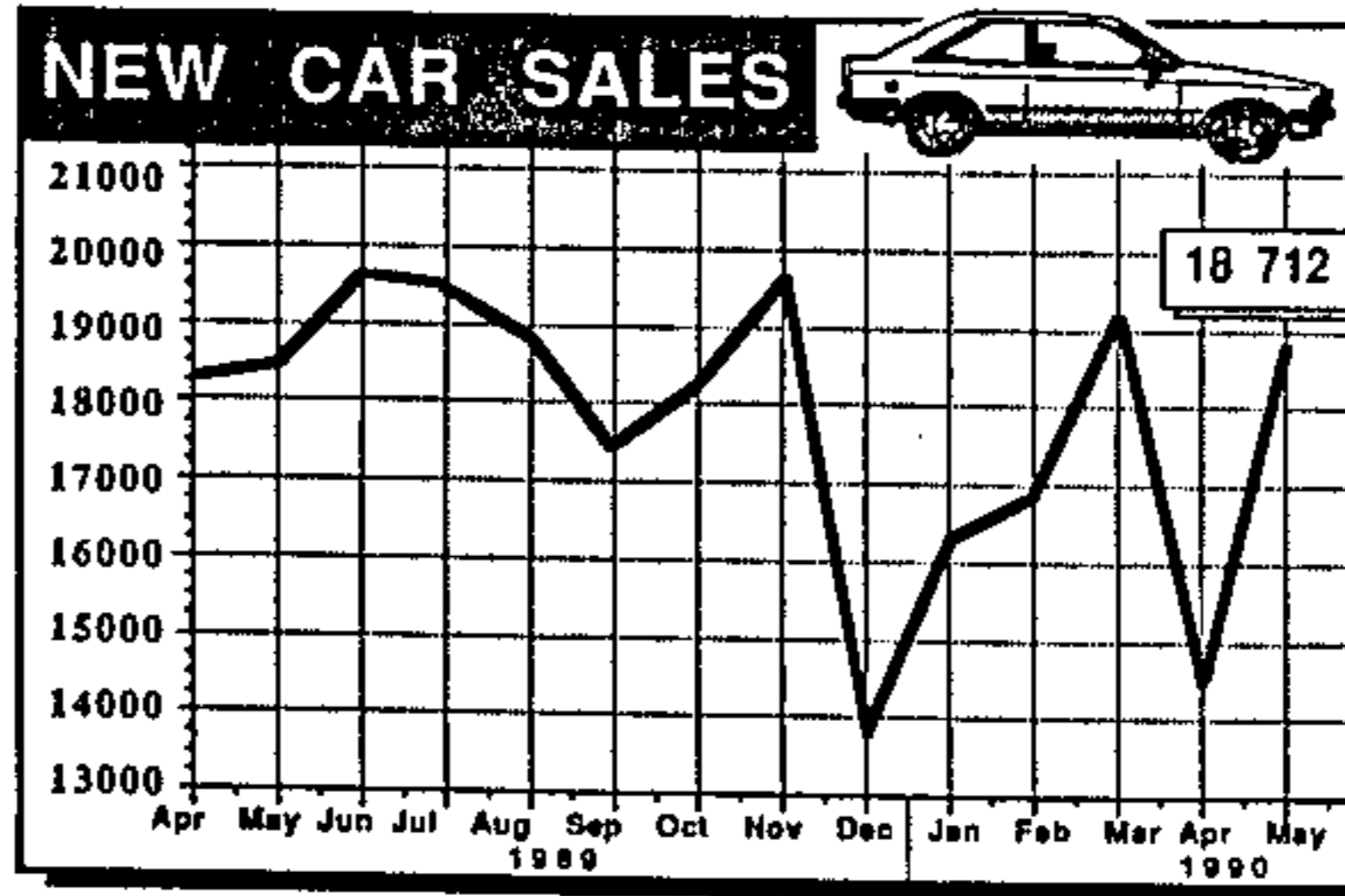
Compared with the corresponding month in 1989, however, last month's sales show a marginal decline of 65 units, or 0,3 percent.

According to a Naamsa statement, the increased number of trading days, the slightly improved manufacturers' supply position and the recent introduction of the Uno boosted sales for May.

A breakdown of individual car sales is not available and Nissan has kept the sales of the Uno a secret.

But judging by the waiting list that is building up, the car has made quite an impact.

Despite the boost in May, Naamsa warns that business and trading conditions will remain diffi-



cult for the rest of the year.

This is confirmed by the current level of overall vehicle sales in the first five months of the year.

These, at 136 833 units, are down by 5,5 percent, compared with 144 791 units in the comparative period last year.

On a monthly basis, new vehicle sales in May rose to 28 866, substantially higher than the 23 096 units sold in April, but lower than the May 1989 figure of 29 492.

Sales of new light commercial vehicles and minibuses advanced by 16,5 percent, or 1 292 units, to 9 103, compared with April's sales of 7 811 units.

Compared with May 1989, last month's sales de-

clined by 305 units, or 3,2 percent, which underlines the fundamental weakness of the market because minibus sales have held up fairly well recently in the wake of the continued buoyancy of the black taxi market.

Sales of vehicles in the low-volume medium- and heavy-truck segments recorded improvements in May.

But in the case of heavy trucks and buses, the sales remained well below the corresponding levels of 1989.

Naamsa attributes the drop in sales in the heavy-truck segment to the low levels of gross domestic fixed investment in South Africa and to the current negative stage in the business cycle.

12 000 Unos a year for SA

By Geoff Dalglish

ROME — The giant Fiat group is looking at expanding its growing business with South Africa. ⁶⁹

Industry sources indicate that next year's launch of the best-selling Fiat Uno could lead to components being sourced from SA.

Lorenzo Cesari, managing director of Fiat's international activities division, said Italian representatives would visit SA next month as part of a continuing feasibility study.

Sanctions and Japanese restraints are inhibiting the sale of Toyota, Honda, Nissan and Mazda vehicles in SA, but Dr Cesari said: "The Europeans in general and Italians in particular are pragmatic.

"Eventually economic factors are stronger than political ones. We buy everywhere in the world if the price and quality are competitive."

An added factor that could make markets like SA attractive was the feared full-scale entry of the Japanese to the European market after 1992.

Forecast

One observer estimated that Europe could lose a million sales annually to the Japanese.

Dr Cesari predicted sales of 12 000 Uno cars a year in SA. There was capacity to build 15 000 cars annually.

Ultimately other joint ventures might be possible, although the Uno was unique in filling a gap left by the departure of the Daihatsu Charade, Renault 5 and Leyland Mini.

Nissan Marketing managing director Stephanus Loubser disclosed plans for three- and five-door hatchbacks with engines ranging from an economy 1.1l to a potent 1.4 turbo.

"We are committed to coming in at least R2 500 below the entry-level Volkswagen City Golf and Opel Kadet Cub — that would be about R17 000."

At the top of the range, the 204km/h turbo (pocket rocket) was likely to cost about R29 000, with options that could include air-conditioning, power steering, electric windows and a sunroof.

SA Times 24/9/89

CHIPS ON THE TABLE

An Italian consortium is behind the first major enterprise in Transkei to be wholly financed by foreign industrialists.

Work on the proposed R45m chipboard factory will start shortly at Langeni, the forest area near Umtata, where there are already lumbermills, sawmills and a chopsticks factory.

The supply of about 100 000 m³ of timber a year for the factory has been guaranteed for 25 years by the Transkei government, which expects to recoup R3m a year in company tax from the enterprise by 1993. Annual turnover is estimated at R25m.

The company, Chipboard Industries Transkei, will initially produce for the South African market, which is under-supplied. Demand grew by 6% last year. In the long term, it will also supply material for Transkei's furniture industry, which has an annual turnover of around R130m.

Pik: Italy's vote for sanctions is surprising

PRETORIA — The Minister of Foreign Affairs, Mr Pik Botha, said early yesterday that the vote in the UN Security Council on Saturday night on a resolution which would have imposed sanctions against South Africa had run its course as had been expected — except for the vote that had been brought out by Italy.

Mr Botha, in response to enquiries regarding the vote, said he was convinced that there were thousands of South Africans of Italian descent, who, like himself, were astonished by the fact that Italy had voted in favour of the proposed sanctions.

Mr Botha said he would, obviously, contact his Italian counterpart regarding the "inexplicable" action of the Italian Government.

The Minister said the international vendetta against South Africa had only been temporarily averted by the vetoes which had been exercised by the United Kingdom and the United States.

He expected that new plans were already being formulated to instigate worldwide sanc-



MR BOTHA

tions against South Africa and that SWA/Namibia would possibly be used in an endeavour to bring this about.

Mr Botha said the strongest attempt to counteract the onslaught of sanctions was a united voice of all moderate South Africans. — Sapa

69 18/8/86 N/M

Italians to invest on South Coast

Mercury Correspondent

JOHANNESBURG—Foreign investment in property through the financial rand has begun to trickle into the country.

Some investors abroad are placing the lure of leverage from a weak financial rand exchange rate yielding close to R5 for every US dollar brought in above political and economic uncertainties.

On the South Coast, a group of local entrepreneurs fronted by Allen Usher, have joined forces with a Swiss and Italian consortium of businessmen in a R10 million rand deal.

Mr Usher says the Italian consortium has developed housing schemes in Europe, Asia and the Far East and has shown keen interest in expanding into property development in South Africa.

The plan is to build two developments on the lower South Coast. One is a complex of town houses at

Umtentwini and the other is a non-racial motel in Port Edward.

Approval of the schemes, which involve an eight-year Swiss franc loan has been obtained from the monetary authorities.

The town houses, to be called Lynden Gate, are aimed at the permanent residential market and comprise 61 units modelled on a self-contained village.

The motel is to be a 168-room venture which it is hoped will provide day trippers to the Wild Coast casino a few kilometres away with an alternative to the more pricey Sun International accommodation.

Olivetti confirms resolve to stay put

18/4/86 IAN HOBBS

LONDON — Olivetti is to maintain its full operation in South Africa, says a company spokesman.

The Italian office equipment and computer group is 25%-owned by AT & T, but business will not in any way be affected by the US giant's decision to cut most business ties with SA.

Olivetti spokesman Roland Argentero said yesterday: "We established our business in South Africa more than 30 years ago.

"We supply our own systems to that market and business will not be affected at all by the AT & T decision.

"Nor do we foresee any adverse effect on our well-established operation in South Africa."

Italian giant IRI considering local trade onslaught

STAR 13/4/92

By Magnus Heystek,
Finance Editor

IRI Gruppo, Italy's largest industrial concern, and the fifth-largest company in Europe, is currently investigating investment opportunities in South Africa.

A group of several senior board members has just completed a week-long visit to South Africa and a decision on making direct investments will be made within the next few weeks.

IRI Gruppo is the holding company of more than 500 diversified companies in Italy, with interests ranging from airlines (Alitalia), shipping (Lloyd Trestino), motor manufacturing (Fiat), to telecommunications, road construction and agriculture.

It employs about 500 000.

Turnover in the past financial year was in excess of R150 billion.

The week-long visit to South Africa was headed by Bruno Corti, an executive member of IRI's executive committee, and one of Italy's most powerful

businessmen.

IRI's exploratory visit was rounded off by a glittering function held at the Sandton Sun last Thursday.

It included several prominent South African businessmen, members of the Reserve Bank and government officials.

Seen at the banquet were senior officials of Standard Bank, the construction group LTA, and Dr Jaap Meijer, senior deputy governor of the Reserve Bank.

IRI's visit to Johannesburg and other major cities was the spearhead of what seems like a major Italian onslaught on not only South Africa, but the entire sub-continent.

The visit coincided with IRI's stall at the Rand Show, one of the largest this year, and a display of Italian craftsmanship currently on show at the Market Theatre.

The show was organised by the Italian Ministry for Commerce and Industry and Handicrafts.

According to Aldo Castellari, the local representative for the Italian Ministry, he has been "worked off his feet in recent

months" as a result of the huge upsurge in trade-related inquiries from Italian businessmen.

Asked at the banquet what investment opportunities IRI was looking at, a spokesman replied:

"Just about everything. IRI is a major player in virtually every sector of the Italian and European economies.

"With the uncertainty concerning the referendum now removed, we are actively looking at South Africa as a springboard for a major assault on Southern Africa," he said.

From discussion with other IRI Gruppo members it became evident that IRI is primarily looking for joint ventures with local companies.

But the possibility of major direct investment cannot be totally excluded.

IRI has been involved in South Africa on a limited scale for a number of years.

Its most visible involvement has been through its airline Alitalia, which recently raised the number of flights to South Africa from two to three a week.

Says Dr Frederico Traversi, general manager of the local operation: "Trade and tourism between South Africa and Italy are picking up all the time.

"If this trend continues, we will have to consider more flights between Johannesburg and Rome, Alitalia's home base in Italy."

Other, smaller interests of IRI include building operations such as Mortheo, a construction company involved in cluster developments in Johannesburg's northern suburbs.

The IRI Gruppo was born in the dire economic recessionary times of 1929.

Although controlled by the Italian government, it is involved in undertaking business ventures in collaboration with the private sector, not unlike those of Iscor, Eskom and Sasol.

69



Kenyan Foreign Minister W N Ayah and SA Deputy Foreign Minister Renier Schoeman at Jan Smuts Airport yesterday. Ayah is on a four-day visit. Picture: BRIAN HENDLER

Italy may use SA as platform

SHARON WOOD

ITALY will consider SA as an operational platform for its aid, trade and investments into southern Africa, says Association of Italian Chambers of Commerce chairman Piero Bassetti.

Bassetti is on a five-day visit to SA and will meet a wide range of political and business leaders, including new Finance Minister Derek Keys.

"The relationship between our two countries is not new," he said.

Italy has been a major importer of SA gold, coal and raw materials and has exported technological know-how and manufactured goods to SA.

"More than a decade ago we singled out southern Africa as a top priority of our co-operation policy and we are engaged in a variety of contracts within the subcontinent," he said.

Italy's economy to a great extent was based on adding value to imported raw materials which offered great scope for increased trade and commerce between the countries, Bassetti said.

A string of recent events demonstrates Italy's concrete involvement and desire to establish a foothold in the SA market.

These include the extension of a \$150m loan by Mediobanco to encourage small- and medium-sized business to invest in SA, the signing of a comprehensive trade agreement between the two countries earlier this year and the recently signed electricity agreement between Eskom and Italy's power utility Enel.

DARIUS SANAI reports Kenyan Foreign Minister W N Ayah and Tourism and Wildlife Minister Noah Ngala arrived in SA yesterday for a four-day visit.

Ayah, who was greeted at Jan Smuts Airport by Deputy Foreign Minister Renier Schoeman, said in a brief statement that he would hold talks with senior SA government ministers during his stay.

Meanwhile the Thai government announced the visit of the first major Thai trade delegation to visit SA. It will arrive in SA on May 21 for a week-long fact-finding mission.

And seven members of the German parliament's committee on labour and social affairs would be visiting SA from May 11 to May 14, an embassy spokesman said.

Accord on
matric fees.

STAR 29/5/92

Scenery doesn't pull in foreign investors

Much is always made of the flood of foreign investors waiting to pour money into this beautiful country with its golden beaches, sunshine and wide open spaces.

Just reduce the violence, and the foreign investment will come flooding in, it is always said.

But a recent trip to Treviso, near Venice, as a guest of the Italian Chambers of Commerce brought home to me just how little we have to offer foreign investors.

Off course, the Italians love SA and have settled here in relatively large numbers. About 80 000 live here, mostly in and around Johannesburg.

But don't expect some hard-nosed entrepreneur living in Italy to make an important decision such as investing money in SA on the strength of rugby, braai vleis, sunny skies and Fiat Unos. No chance.

What they want are investment incentives that will make them money. And anyone knows that return on investment always correlates with the amount of risk someone is prepared to take.

In South Africa's case the return is still too low when the risk is considered.

Despite a definite softening by the ANC on nationalisation and the repatriation of dividends, investors are still worried about their investments in a future South Africa. Will they get their money back and will their always be a free repatriation of dividends, the ask. No such guarantees have been forthcoming.

In the absence of such guarantees, foreigners would like re-

By Magnus Heystek (69)



turns of 40 percent and upwards on any investments they make. In the current economic situation this is unlikely.

On the same note, I took with me the promotional video made by the Johannesburg City Council to promote Johannesburg as a regional commercial hub for Southern Africa and played it to Italian businessmen.

The video was long on imagery and very short on information. There were beautiful shots of Jo'burg from different angles accompanied by a craftily worded commentary. Is this what a cynical businessman wants to see?

They want to know about tax incentives, rail links to other major cities and the rest of Africa, about airports and conference centres, about banks with foreign links, office space and prices.

Sadly, this information was not in the video. Once again the thinking was that foreigners would invest here because "our country is so beautiful".

Benetton boosts SA presence

STAR 26/9/92 (69)

BENETTON, the Italian-based clothing company with turnover exceeding \$2,3 billion last year, will be investing 4 percent of its annual turnover in promotions and advertising in SA from 1993, according to chief executive officer Luciano Benetton. He is in SA on the last leg of a six-nation tour to launch the company's newest advertising campaign.

MANDY JEAN WOODS

Benetton said he planned to increase the company's presence in South Africa not only by way of introducing entirely new "mega-stores" but also by making a financial stake in the future of the country. He could not put an exact figure to the investment amount.

Currently there are only 43 Benetton licensees in South Africa, less than 1 percent of its more than 7 000 stores around the world.

Benetton said he had great faith in the future of South Africa and that the process of negotiation would eventually result in a new South Africa free of racial millstones.

Import deal brings Alfas back to SA

MOTOR dealer Cars International is to sign an agreement with Alfa Romeo parent Fiat Auto on 21 October for the import and distribution of Alfa Romeo cars and spares and accessories throughout SA, Botswana, Namibia, Lesotho and Swaziland.

Cars International MD Brian Taylor said the Alfas would become available to the SA public from February 1993. *BIDAY 7/10/92*

Twelve Alfa Romeo outlets would be established during the year and the company planned eventually to sell 800 new cars a year.

The completely built-up units to be imported, including the Alfa Romeo

EDWARD WEST

Spider, Alfa Romeo 164, 155, 155 Cabriolet and the Alfa Romeo Q4 Sedan, would be competitively priced and would benefit from the depreciation of the lira against the rand and a 10% reduction in import duties, he said.

He ruled out the possibility of establishing vehicle assembly facilities in SA and said one of the advantages of fully imported cars was that prices were not affected by labour disruptions prevalent in SA's motor assembly industry.

Alfa Romeo ceased assembly operations in SA in 1984.

BIDM 16/10/92

Businessmen to Rome

INDUSTRIALISTS from SA and Italy are to attend a workshop in Rome today hosted by the Italian state bank Mediocredito. (18)

The 27 SA businessmen from, among others, Rupert International, Stocks and Stocks, LTA, Malbak, Sasol, the Gazankulu Development Corporation, Standard Bank and Wesgro will meet Italian industrialists, including representatives from FIAT, Iritecna, Falck and FATA. (69)

Government spending put at R104,87-bn for the year

THE budget deficit for 1992/3 will be R29,8-billion, or 9% of gross domestic product, director-general of state expenditure Hannes Smit confirmed on Friday.

This is twice the level budgeted at the beginning of the year.

The Additional Appropriation Bill, tabled in Parliament on Friday, pushes government spending up by R6,04-billion to R104,87-billion for the year.

Of this, R1,04-billion has al-

ready been financed through the sale of state assets. The additional spending figure includes R479,7-million which was already announced in the main budget, reducing the actual excess to R4,5-billion.

The biggest item on the list is R2,4-billion, which will be used to repay farmers' debts to the Land Bank. Mr Smit said this amount would have been repaid over three years, but by paying it now, the government saves R107-million in interest.

This amount was not put in the main budget when the severity of the drought was al-

ready well known to avoid disruption of the capital markets.

The total drought relief package is billed at R3,4-billion, as against initial forecasts of R1,4-billion.

The interest on state debt has risen by R740-million to R17,04-billion as state revenues undershot expenditure, forcing the government to increase borrowings.

An amount of R620-million is earmarked for the SA Rail Commuter Service Corporation and a further amount of R23-million for bus commuter subsidies.

Contained

Foreign Affairs asked for an additional R192-million, Finance for R119,2-million, the House of Representatives for R184,7-million, Agriculture R308-million, Regional and Land Affairs for R1,27-billion, Local Government and National Housing for R153,2-million and Public Works for R105-million.

Self-governing territories will receive an additional R629,9-million, of which R421-million is for social upliftment.

Mr Smit says that other than scrutinising homeland budgets, the government had little further control over how money was spent.

He says every effort was made to keep spending increases down.

If the unavoidable increases — drought relief, SARCC subsidies and higher interest on state debt — are stripped out of the figures, spending increases were contained to within 1% over the original budget.

Agriculture sets free market plan

By TERRY BETTY

DRAFT labour legislation in agriculture was handed to the Manpower Minister on Friday advocating a free market system and the decriminalising and deregulation of labour law. The draft, drawn up by the legal profession and evaluated by the agricultural unions and Nampo, proposes the right of free association, collective bargaining, with the right to negotiate individually, and conditions of service can be adapted to climatic conditions.

It also includes proposals that parties try to resolve their own problems or reconcile them at a low level, and that a special labour court will be available in each magisterial district.

The right of workers to strike and the right of employees to lock out their workers is recognised.

A breach of employment condition would not be a punishable offence but may be referred to the special labour court for an order to correct the breach.

However, if the court order is ignored then a crime has been committed.

Iveco trucks into SA

By DON ROBERTSON

THE Italian-based Iveco truck giant plans to make a "considerable" investment in SA in the next few months.

The intention is to expand its operations in SA to meet the local and sub-Saharan markets and slots in with its planned globalisation strategy which has seen it recently move into Turkey, India and China.

Iveco's major shareholders are Fiat and Magirus Deutz and a decision to invest in SA could spark off a flood of interest by other large Italian conglomerates, says Jean Sauvaire, international operations director.

Mr Sauvaire is on a short visit to Johannesburg for discussions with Truckmakers, a subsidiary of Automakers, which owns Nissan SA.

Iveco has been represented in SA for more than 15 years, providing technology for the manufacture of the Samil military trucks manufactured by Truckmakers. This association was strengthened in 1989, when Truckmakers began production of Iveco's TurboStar for the commercial market.

Partner

Iveco has now decided to expand its range of trucks for the local and adjoining markets and is looking for a partner. Discussions are continuing with Truckmakers, but no decision has yet been taken. An investment of at least R50-million has been suggested.

Mossie Mostert, managing director of Truckmakers, says he has been "very comfortable" with the association over the years.

The plan to expand its range of trucks "does present certain problems for our group, considering that we already handle the full range of Nissan Diesel products. For this reason, it may be more advantageous for Iveco to consider an investment through a third party."



Benetton in major expansion

By Stephen Cranston

(69)

The Italian clothing chain Benetton plans to increase its branch network from 40 to 100 by the end of 1994 with a turnover of more than R100 million, says SA licence-holder Bruno Iaconi.

Benetton plans to turn Iaconi's Lupo International factory in East London into its manufacturing base for sub-Saharan Africa, producing half of its needs for SA branches within two years.

Benetton opened a new store in the Smal Street Mall in Johannesburg CBD last week, and next month opens the first of its megastores, a 200 square metre shop in the old Surtee's shop in the Carlton Centre. The Killarney Mall branch will be doubled in size within a few weeks.

Iaconi says eight stores have been closed, which were not big

enough or were not in the right position to benefit from customer traffic.

The product range will be updated and the shops will not just carry the previous year's range.

Prices have been reduced, even though 80 percent is imported at tariffs of 100 percent or more. An embroidered shirt, for example, has been reduced from R220 to R170.

Benetton originally focused primarily on the white market, but has found the main thrust of interest from black customers, who appreciate the quality of its natural fibres.

Benetton positions itself as the affordable chain for everybody and has a branch in Soweto.

The chain has 7 000 shops in 100 different countries. It has a range of more than 2 000 items, each available in 30 to 40 colours.



Benetton
B10m
to expand 69
30/4/93
NELVIN BROWN

BENETTON would open 20 new stores in SA in 1993 and 80 more by the end of next year, Benetton sub-Saharan chairman Bruno Iacone said yesterday.

Speaking at the opening of the new Benetton megastore in the Carlton Centre, Iacone said Benetton would be spending at least R4m on refurbishing and expanding its retail outlets in SA this year. Another Johannesburg CBD store was being considered.

The Italian retail chain had decided to expand its operations in SA and sub-Saharan Africa because of the large growth potential, especially among black buyers.

At present 50% of its customer base was in the black market.

In recent months the company has expanded to sub-Saharan Africa with stores in Mozambique, Cameroon, Madagascar and Botswana.

Iacone said these stores would be supplied and controlled from SA.

Benetton had begun to supply its stores in sub-Saharan Africa from a factory in the eastern Cape. While at present 25% of the stock in the stores was locally produced, Iacone hoped to increase this figure to 50% in the near future.

New Chinese VW order saves 700 from lay-off

STimes (Buss)

30/5/93

VOLKSWAGEN SA will supply a further 17 000 left-hand drive Jettas to China, preventing retrenchment of about 700 workers.

The order, worth more than R500-million, follows one signed last year for 12 500 second-generation Jettas for FAW-Volkswagen (FAW-VW), a venture between Volkswagen of Germany and the Chinese Government.

The first shipment of this R400-million consignment was made in May last year and 10 000 cars have been

By DON ROBERTSON

delivered. It is expected that deliveries for the new semi-knocked down order will begin next year at a rate of about 1 200 a month.

Trade between China and SA has been in favour of the Chinese. Last year, SA imported goods worth R709-million from China and exported R489-million, most of which was Jettas.

Chairman and managing director Peter Searle says: "We believe exports to be of crucial importance to the

present economic situation in the country. The increased order also protects about 700 jobs at VWSA and many more in the component industry."

Because of the stagnant motor industry, VWSA recently held negotiations with unions about possible forced retrenchment of between 500 and 1 000 workers. A voluntary retrenchment and early retirement programme is still in operation.

Lin Ganwei, president of FAW-Volkswagen, and his

board visited the Uitenhage plant and announced the contract.

He says: "We are pleased to be able to continue our relationship with VWSA and see further opportunities for business as the Chinese economy is developing fast and we require this volume to support us through the start-up phase of our factory in Chang Chung."

The deal will go a long way to restoring VWSA's profitability. In its report for the year to December, Volkswagen AG said VWSA suffered a small loss.

Engen going for a London listing

STimes (Buss)

30/5/93

ENGEN plans a London Stock Exchange listing, possibly before the yearend, to boost its international expansion.

Engen investor relations manager Abbas Gani says the main aims of the listing are to raise the company's international profile and to have structures in place when it needs to raise capital.

"Opportunities knock on our door frequently and we want to have everything in place so that we can take advantage of them quickly."

But the proposed listing is not linked to any specific project or acquisition at this stage, he says.

Engen is believed to be evaluating acquisition options involving oil in West Africa. Its evaluation includes funding its growing exploration in the area.

Engen boss Rob Angel was in London two weeks ago introducing the group to the press, investment analysts and institutions. The group expanded its London office by moving part of its logistics division there a fortnight ago.

Mr Gani says the listing is in line with Engen's wish to be involved in the exploration and production of half of its crude throughput.

By ZILLA EFRAT

"To do this will involve major capital."

One advantage of a London listing is that it could help to overcome the increasing foreign-exchange difficulties that SA companies face when making acquisitions abroad.

Mr Gani says Engen will be listed in London only when the political climate in South Africa is conducive.

He says Gencor's proposed unbundling is regarded favourably by British investors because it will improve the tradeability of Engen shares.

Once Gencor and Genbel release their 70% stake, the number of Engen shares in public hands will jump from 28,2% to 64,6%.

Sanlam is likely to be the largest shareholder with 22%, followed by Rembrandt Group and Old Mutual.

Gencor's unbundling may also result in its selling its 5,8% stake in the Alba and Britannia oilfields in the North Sea because they do not fit in with its core mining business. Engen holds a 2,2% stake in the venture.

Mr Gani says Engen might be interested in buying these interests "if the price is right". It will depend on prospects for crude-oil prices.

BUSINESS BRIEFS

Russian gold forecast

RUSSIA lifted its veil of secrecy over gold production and exports, forecasting a steady 1993 production and promising a "balanced and moderate approach" to selling gold on world markets.

Yevgeny Bychkov, chairman of the precious metals committee, told a rare news conference that Russia had produced 146 tons of gold in 1992 and expected to produce the same in 1993.

Exports totalled 96 tons in 1992 and the country, a major producer, had sold 21 tons of gold abroad so far this year.

"I do not think sales of gold will change substantially," Bychkov said. "The government has a balanced and moderate approach to the matter."

Figures for gold production, exports and reserves were for long a closely guarded secret in the Soviet Union.

Eskom to help Cahora Bassa

THE Government has accepted a proposal by Eskom to help finance rehabilitation of the Cahora Bassa hydro-electric scheme in Mozambique, says Mineral and Energy Affairs Minister George Bartlett.

The scheme on the Zambezi river was financed by South Africa, Mozambique and Portugal in 1969, but has worked for only a few weeks.

Zambia buying SA petroleum

ZAMBIA has started importing all its petroleum products from SA after the temporary closure of its only refinery.

Indeni Oil Refinery in Ndola is being reconditioned. Zambia Deputy Energy Minister Colonel Patrick Kafumukache says supplies from SA have already started arriving in Zambia, which intends changing some of its petroleum product suppliers to SA.

Nigeria at SA exhibition

A MAJOR promotional drive is under way in Africa and the Middle East to attract high-level businessmen to South Africa's largest technology show ever, The Africa Initiative.

Nigeria, which still has sanctions against South Africa, is expected to send the largest delegation to this five-day business olympiad to be held at Johannesburg's National Exhibition Centre at the end of August.

SAA heads back to Angola

SAA, in association with Angolan carrier TAAG, will resume weekly flights to Luanda from next Monday. Flights started between Johannesburg and Luanda in April 1992 but were suspended in October due to the unrest in Angola. SAA said the new flights would leave Johannesburg at 9:15am on Mondays arriving in Luanda at 11:50 am.

Racy under investigation

A TRADE AND INDUSTRY inspector has been appointed to investigate the affairs of Racy, which sold its assets to three directors at a discount to net asset value earlier this year. The inspection follows the legal recourse offered disgruntled minority shareholders.

Alfa takes on the biggies

STimes (Buss)

30/5/93

By JEREMY WOODS

AS covers were whipped off imported Alfa Romeos in showrooms round the country this week, Brian Taylor, managing director of Alfa Romeo Concessionaires, said: "We are out to nail sales of BMW and Mercedes."

Alfa Romeo has returned with a range of cars not seen in South Africa before.

Mr Taylor says: "If our

prices are comparable — and in some cases more competitive — we believe the discerning buyer will prefer a fully imported European-built car to one built here."

Franchises to sell Alfa Romeos are "being snapped up at a frantic rate" both for SA and other African countries.

Erwin urges Italian investment in SA

(69) CT(BR) 24/4/96

FROM SAFA

Johannesburg — South Africa was a great admirer of the Italian economy's innovation, quality and product strength, Alec Erwin, the trade and industry minister, said yesterday.

"We would like very much to emulate that," he told an Italian and South Africa investment conference.

Erwin urged Italian investors to seek partnerships with established and new South African businesses.

"There is a lot of energy in South Africa that needs to be tapped," he said.

He outlined developments in the South African economy and the quest for new partnerships that

boosted trade and investment, noting that growth was the highest in two decades and macro-economic indicators were sound.

However, the challenge was to push growth to 6 percent and improve the economy's employment creation capacity.

A quiet revolution was under way in the public service, Erwin told delegates.

The civil service, he said, was being shrunk, skills and efficiency improved and salaries increased in order for the public sector to facilitate economic growth.

Augusto Fantozzi, the Italian finance minister, said his country was a great admirer of South Africa's democratic development

and move to reconciliation.

Also impressive, he said, was the shift from an inward to outward focus in the South African economy.

The challenge, Fantozzi said, was to raise direct investment between South Africa and Italy.

Italian business confidence in South Africa's economic potential was high. "Italian businesses are ready and willing," Fantozzi told the conference.

Trade between South Africa and Italy is worth about \$4 billion a year showing an increase of almost 40 percent between 1994 and last year.

Italy had the fifth largest economy in the industrialised world, Fantozzi said.

Italian govt backs companies keen to invest in SA

John Dlodlu

(b9) DD 18/4/97
ITALIAN companies, backed by their government, are making a concerted effort to establish a presence in SA.

Coimex United Companies, a multisectoral consortium of small to medium-sized Italian companies, has announced plans to open an office in Johannesburg next month. Members of the organisation are drawn from both public and private sector companies, as well as a number of regional chambers of commerce.

Coimex co-ordinates the activities of nearly 30 companies.

A spokesman said the SA office would provide support services for associate com-

panies in identifying international and national tender opportunities in SA. "The Johannesburg office will screen and monitor potential enquiries while gathering relevant information as well as preparing and presenting serious offers."

About 15 Italian companies, associated with Coimex and the Tech-Emilia Consortium, which has a co-operation agreement with Coimex, would visit SA next month to explore joint venture opportunities.

Alexandra Molina, a commercial, economic and development counsellor at the Italian embassy in Pretoria, said this week there were indications that Italian companies considered SA "market-friendly" and were making plans to invest. (748)

The Italian government would like to see small to medium-sized companies following bigger operations such as Iveco and Alitalia in establishing interests in SA, she said.

Molina was confident that SA would manage to get a slice of Italian investments as the country's companies intensified their globalisation strategies.

Though trade between Italy and SA was booming — the Italian embassy placed SA fifth after Germany, the US, the UK and Japan — investments trail behind those of other nations.

However, no numbers exist showing the exact scale of Italian investments in SA from either domestic or Italian sources.

Coimex said: "Initially, the Italian structure will promote the identification of partnerships, competitive price budgets and the associate (Coimex) companies will co-ordinate the logistics." The Italian trade commission would organise a workshop and meetings between SA and Italian traders.

The push by the Italian companies takes place as other European countries, such as Spain, were also making a bid to bolster their investments in SA.