

MANUFACTURING - MOTOR INDUSTRY

1983

JANUARY — AUGUST.

Recovery of motor industry 'could be only 6 months away'

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E. Post
1/1/83

By WAYNE ASHER
CAR company executives in Port Elizabeth predict that recovery in the motor industry could be only six months away.

But overall sales will be down on 1982 and "a tough, yet not catastrophic" 1983 is expected.

Sales, they say, will probably get worse before they get better.

The managing director of General Motors, Mr Lou Wilking, predicted that although sales this year would be slightly down on 1982, he expected a "general upswing" about halfway through this year.

It would still be a "solid year" for General Motors.

"Although not finalised, we expect total passenger car sales for 1982 to finish up at between 282 000 and 285 000," he said.

"This year it will probably total about 260 000 — an overall drop of roughly 7%."

However, he said if the company projected its expected sales for the first six months of this year over the full 12-month period, it would mean an annual sales figure of 245 000.

But if the company projected an annual figure using expected sales for the second half of this year, it would have an annual sales

figure of about 275 000, he said.

"In other words a drop in sales followed by a good upswing."

Mr Clive Warrilow, sales director of Volkswagen, said the first half of this year would probably be "substantially more difficult" than the second half of the year.

"The total passenger vehicle sales during 1982 are likely to be 280 000 units and light commercials about 110 000," he said.

"These figures could drop to 260 000 and 105 000 respectively this year."

Mr Warrilow said that although the economy did not look in such good shape at present there were signs it would improve soon.

"There are a number of dangerous signals visible but on the other hand there are good signs — for example the interest rates have come down a little.

"The main problem is that consumer confidence is not what it was. When it comes to buying a more expensive item like a car, people are delaying the purchase.

"I think they are a little uncertain of what their personal prospects are.

"But then again, I think quite a few manufacturers have several exciting new

products coming out this year which tend to stimulate the market."

Mr Keith Butler-Wheelhouse, director of sales and marketing of Ford South Africa, said that promising signs of recovery should be visible in the second half of this year.

His company sees the market upturn starting in the last quarter of 1983.

"For 1982, Ford forecast a car market of 286 000, a light commercial vehicle market of 124 000 and a heavy truck market of 21 000," said Mr Butler-Wheelhouse.

"For 1983, we forecast a lower car market of 272 000, a light commercial vehicle market of 115 000 and a heavy truck market of 19 000.

"These compare with the record 1981 figures of 301 528 cars, 121 271 light commercials and 30 742 heavy trucks.

"While there are short-term factors affecting the motor industry — including poor agricultural production, reduced Government spending, increases in general sales tax and bond rates and a general psychological air of pessimism — the second half of 1983 shows promising signs of recovery."

Ford expects the follow-

ing factors to benefit the motor industry:

- A gold price increase
- A positive balance of payments situation for South Africa by mid-1983
- A drop in the consumer price index
- A positive growth rate in 1983

Fred Roffey reports from Cape Town that Mr R M Thomas, the national vice-chairman of the National Automobile Dealers Association, has warned that car dealers were entering the same "dark tunnel" they went through in the last recessionary period of 1976 to 1978 — but management would have to be much better now in order to survive.

Mr Thomas points out that many car dealers who are geared for volume sales are now entering a recession similar to the last one in South Africa.

"Meantime, our operating costs have increased dramatically in the last four years — particularly salaries and wages, rents and interest costs — so yesterday's solutions do not necessarily apply to today's problems.

"We are going to need much improved management in the months ahead to guarantee our future well-being," he said.

Blacks will buy more

BMW sees potential for growth in SA

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Financial Staff

South Africa is one of the few industrialised countries that can expect major and continuous growth of the car market — at least to the century's end, says BMW managing director, Dr Eberhard von Koerber.

Writing in the company publication, "BMW in South Africa", he says this country has enormous growth potentialities and he is confident about the future demand for BMW cars.

"In Europe and North America we have reached a high degree of saturation — basically replacing cars and not dealing with expanding markets"

He sees the serious shortage of managerial skills in South Africa as an avenue to increased sales and believes the shortage will encourage employers to offer incentives, such as a quality car, to their valued staff.

The skilled manpower shortage, he says, is a problem that will become more acute in the years ahead.

This will enhance the positioning of BMW, with its range of quality cars aimed at the young executive on his way up

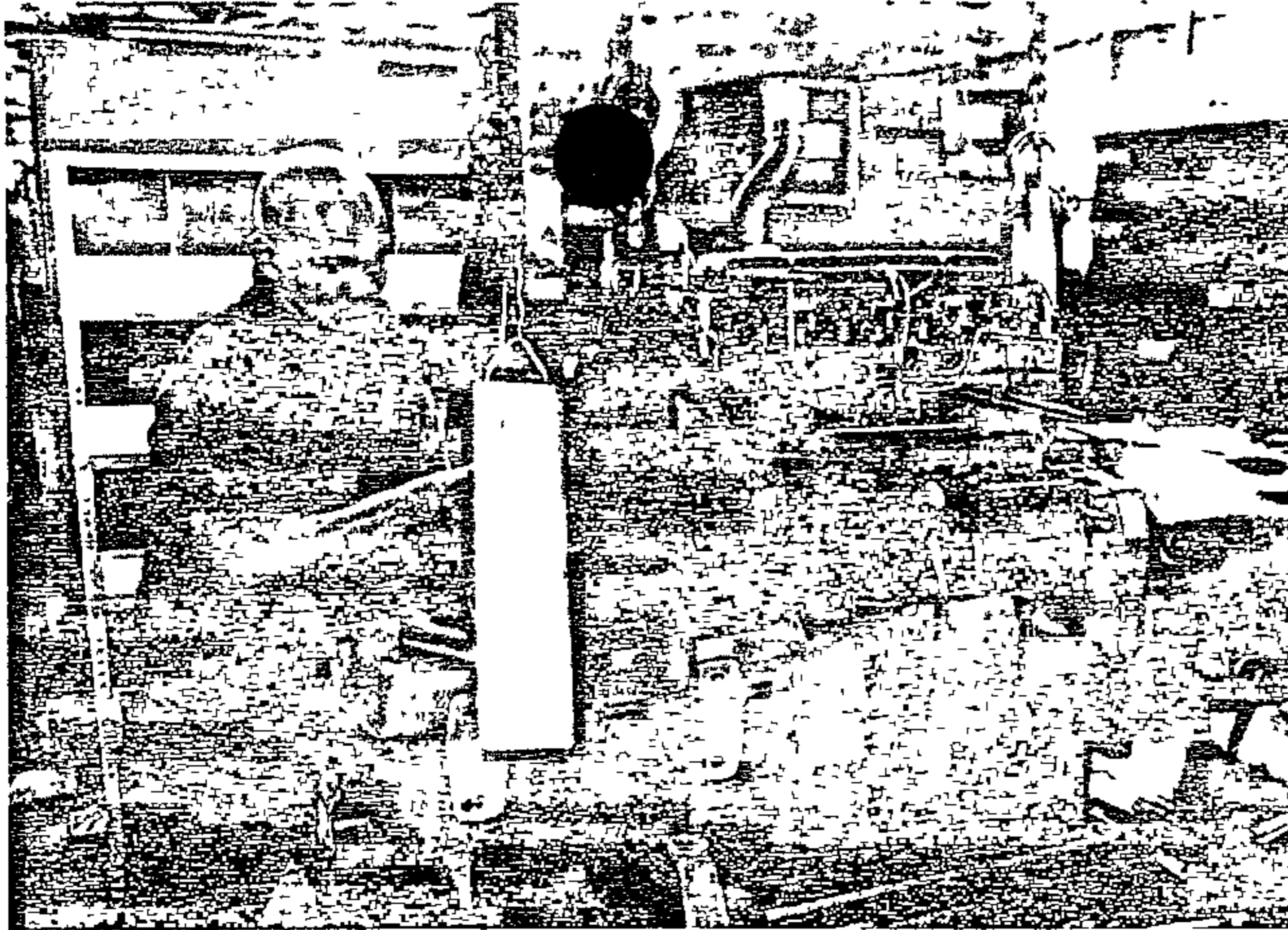
Playing an important role in the growth market is blacks buying power, he says.

"I expect, for example, that in a few years half the blacks working at our Rosslyn plant will own cars. They would like to buy BMWs but if they cannot afford it they want us to help them buy something else.

"These people are in the process of obtaining so much disposable income that they can afford to lease a BMW 518 at market rates already."

The narrowing white-black disposable income gap augurs well for a company such as BMW, he says. Black aspirations in the quality car market are already making themselves felt, and will accelerate.

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FM 14/1/83 (19) ADE plant ... running at half throttle

According to Industries and Commerce Minister Dawie de Villiers, the new 20% excise duty is an interim measure pending a full-scale investigation into local content for heavy commercial vehicles.

A spokesman for the Board of Trade and Industries says "We do not know at this stage how the 20% duty will be applied in those cases where local engines are used with imported gear-boxes and rear axles."

ADE marketing director Barry Osler maintains that his company's price increases have not exceeded the rate of inflation over the last two years.

"If you add the change in parity between the rand and the Deutschmark to the rate of inflation overseas," he says, "you will see that our price increase is justified and by no means excessive."

"A further point is that only 40% of heavy commercial vehicles are being sold with ADE engines. The remaining 60% with imported engines represents our excess stockholding. We would be very happy to supply the local market as it stands today, but we cannot because of the imported units."

Manufacturers have been given until February 28, the end of the excise quarter, to clear stocks of engines imported before the 20% excise duty becomes effective. But it is doubtful whether they can comply, because production lines are down to about 50% capacity.

Still, a compromise could be found. One suggestion, for example, is that the deadline could be extended if all future sales are based on at least a one-for-one basis between imported and ADE engines.

SHIPPING More hopefuls

Less than two months after the voluntary liquidation of Cape Lines, which had hoped to land a profitable share of SA-USA trade

(*Business* November 26), two new contenders have appeared.

With trade prospects still unexciting, it may seem a strange time to come in, but both newcomers will inaugurate services within the next two months.

Prodos Marine Carriers Company (PMC) of Piraeus, Greece, which has been operating on the SA-European trade since September, will launch its service in February.

Two ships, the *Good Dolphin* and the *Good Sun*, will ply between SA and five US east coast and southern ports.

Mannie Nel, manager of PMC agents Polaris Shipping Lines (PSL) says bulk, break bulk and container services are on offer. The line will also sail to other ports if the demand is there.

"There was a great deal of research into this decision," says Nel. "Our ships are more suitable for the trade than Cape Lines' and all our vessels are owned by the principals, not chartered."

PMC is part of the 40-ship Goodf. fleet controlled by Greek shipping magnate Nick Moundreas.

The other new line is Armada-GLTL shipping, a combined Danish-German operation which has run a service to SA out of the North American great lakes for the past two years. Armada-GLTL will offer only a one-way, southbound service, which is being inaugurated from Baltimore on January 24 by the *Milva Island*. Taurus Shipping is the SA agent.

Three or four ships will be dedicated to the combined bulk, break-bulk and container service.

Says Mike Millard, MD of Moore McCormack Lines, an established member of the SA-US conference: "We are not surprised about this but they must earn the confidence of importers and exporters who are wary after their experience with CL."

"I don't think they are in the trade for strategic reasons but because they have spare ships. With tongue in cheek, I wish them luck."

**ATLANTIS DIESEL
More uphill**

(192) FM
14/1/23

Atlantis Diesel Engines (ADE) is heading for more trouble from truck producers after a 7,5% across-the-board increase in engine prices. The market for heavy commercial vehicles is about 40% down on last year. And assemblers are understandably irked at the growing premium on local engines which, they say, is between 50% and 100%.

ADE is overstocked with unsold engines worth about R50m and so far has only a 40% share of the heavy commercial vehicle

engine market. And it is unlikely, at present demand levels, that it would be profitable even with a 100% market share.

Truck assemblers are likewise sitting on massive stocks of engines. But theirs were imported ahead of ADE protection dates in an attempt to beat anticipated price hikes.

The latest increase was preceded by government's announcement of a further 20% excise duty on commercial vehicles above 1 300 kg with imported engines, gearboxes and back axles. The measure gives further protection to ADE as well as gearbox and axle manufacturers AS Transmissions and Steerings (ASTAS), and SA Axles.

ADE is already protected by a 30% duty on the wholesale price of trucks fitted with imported engines. SA Axles is protected by an excise duty of R1,65/kg on vehicles with engines bigger than 9 l and which have imported axles. This duty on mass was introduced only in December.

Gearboxes also have protection in the form of a customs duty of 5%, plus an excise tariff of R385 on imported manual gearboxes (less 31c/kg of gearbox mass), and a R3,50/kg tariff on the mass of imported automatic and semi-automatic gearboxes.

These excise duties have not been effective in protecting local components, and the latest 20% excise on the total truck is intended to reinforce the protection package.

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if it is possible to get, for example, a 15% yield on one money if one invests it in some ^{at the market} maturity, and a 10% yield on an investment in an asset (ie purchase of an asset), then, if investment in the asset will not take place. However, if the asset were expected to yield 20% return on its cost over its economic life, investment would take place.

SA's industrial

relations 'far

behind America'

192 308 E. Post

15/11/83

By WAYNE ASHER

IN the car plants of Detroit, assembly line workers are now earning R20 an hour, with black and white men and women working shoulder to shoulder on equal pay

All belong to a property-owning middle class, made up of two-car families

This part of the 'American dream' at least is a reality — and it might hold some lessons for industrialists in the Eastern Cape

"We are probably about 50 years behind in industrial relations," says Judy Oosthuizen, of Seaview, who saw for herself how the US car makers were making out during a year's study at Michigan State University close to Detroit

There she obtained most of her credits for a masters degree in industrial relations

"We've all heard of the American dream of equal rights — and the chance for everyone in the middle classes to own a house and two cars. Well there it's a reality," she said

"They have created that ideal which we have still to find. And they have done it by facing up to their problems at an early stage"

Among the things they did was to form the United Automobile Workers Union in the early 1940s — 'probably one of the best trade unions in the world' — and to introduce the Civil Rights Act in 1964, enforcing desegregation

Judy said that "over there" the unions were far more pragmatic and members used them for financial ends (which in turn protected their highly valued independence) — whereas here they were often used as a political vehicle

"Over there the unions don't necessarily support one political party as you may get in Britain. Some prefer the Democrats and some the more conservative Republicans"

She said the American businessman believed very strongly in the right of free enterprise, and the right to run his business the way he wanted to

"Competition is very fierce there and the unions are the only control on that strong profit motive

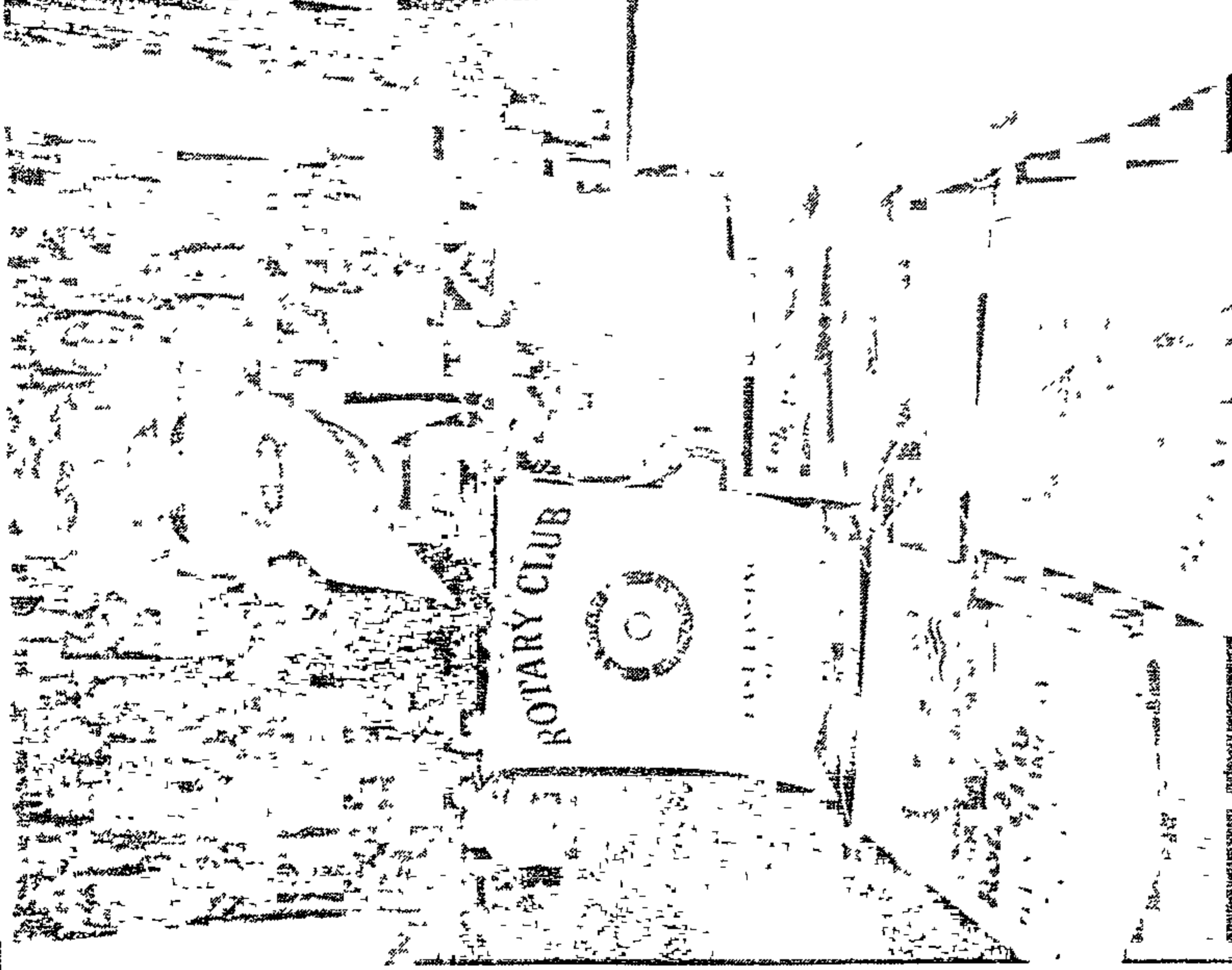
'So in fact you find that employers pay good wages and ensure good working conditions so as to ensure they are getting the most out of their labour force"

At present conditions were fairly dil-

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JUDY OOSTHUIZEN — back from Detroit with a fresh view of the car industry

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Top SA companies in glass shake-up

By John Spira

A MAJOR shake-up is looming in South Africa's R50-million-a-year automotive glass industry, long dominated by Plate Glass and Pilkingtons

Three major industrial groups — Wesco, Messina and Amic — have launched a R27-million glass project, Wesglas, which is to produce laminated and tempered glass mainly for the automotive industry

Production is scheduled to begin in July 1984

The new company is targeting on a R20-million turnover from the automotive sector alone during its first 12 months of full production — a figure which clearly spells out Wesglas's intention of carving for itself an appreciable slice of the R50-million (original

equipment only) market.

Significantly, the three shareholders in Wesglas have substantial stakes in South Africa's automotive market

Wesco is the holding company of Toyota SA, Messina is the holding company of Datsun-Nissan SA and Amic is a major shareholder in Sigma

The combined vehicle production of these three automotive groups was in excess of 225 000 vehicles last year

Wesglas has entered into a licence and technical-assistance agreement with Asahi Glass, a leading Japanese glass manufacturer with annual sales in excess of R2 000-million

The new 14 500-sq-m glass factory will be established at Ga-Rankuwa in BophuthaTswana

Dr Albert Wessels, chairman of Wesglas and of Wesco, tells Business Times "Initial sales will be to the automotive industry but will eventually be

extended to general construction.

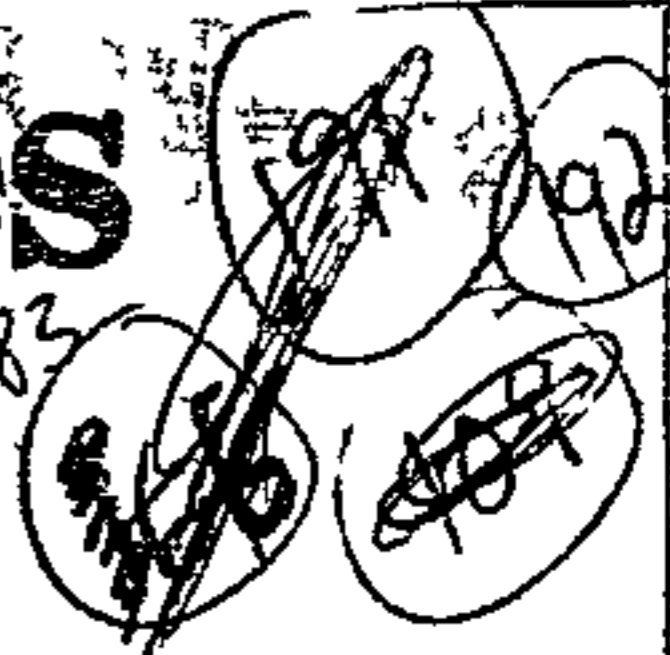
"The decision to locate in Bophutha-Tswana was taken because of the ready availability of labour and the accessibility of management and technical staff from developed areas like Pretoria and surroundings

"In addition, the factory location is in close proximity to 60% of the market and is especially within easy reach of such important prospective customers as Datsun and Sigma

"Ga-Rankuwa, as an approved decentralisation area, offers various attractive concessions."

Dr Wessels also points out that Wesglas is fortunate to have formed an association with Asahi Glass, which is internationally recognised for its research and development of efficient high-technology manufacturing processes.

S. Times 16/1/83



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ROOM 17/1/83



Prospects for South Africa's heavy-truck market in 1983 are good and Fodens SA should have a turnover of close to R28-million, according to the chairman, Mr Ben van der Berg.

The company's strength lies in its marketing strategy, under which products, specifically engineered to SA conditions, are only manufactured to order and to clients' specifications.

The company is heavily committed to the local content programme, especially for axles, transmissions and ADE power units.

Decision-making has been more effective since the company became wholly SA-owned in 1981 and its association with the US company Paccar Inc has proved beneficial. Both have similar engineering philosophies and marketing strategies.

Paccar, the owner of Fodens UK, manufactures the Kenworth truck, three of which have arrived in South Africa for assembly by Fodens SA.

One is for Concor Roads the other two for Kidvil Transport, which has invested more than R1-million in Kenworth vehicles in the past five years.

Kidvil's proprietor expects to get 300 000 km from his trucks

Kenworths have axles up to 250 000 kg, power units up to 600 hp.

According to Paccar, US owners tend to trade their vehicles in only after they have done 1 600 000 km

As they are custom-built, owners have a choice of engines, gear boxes and axles. Clutches are designed for the type of work the vehicle is to do

Kidvil Transport's new vehicles will be fitted, for the first time outside America, with Air Glide air suspension, which offers a soft ride when required. Self-adjusting to the terrain, it can improve tyre life.

Another feature is the extra large cab, with two bunks and standing room that can be used as a walk-in wardrobe.

Sound proofing has cut noise level in the cab to 79 dB. It is fitted with a refrigerator and air conditioning, and has automatic windows. The air operated seats are ergonomically designed and fully automatic.

The picture shows the first two Kenworths being assembled

Outcry at latest ADE price hike

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Industrial Week
18/1/83

ATLANTIS Diesel Engines (ADE) has announced a 7.5% across-the-board price increase in heavy commercial vehicle engines that will send truck assemblers scurrying back to their costing as the market slumps to 50% of last year's figures.

Reactions have been sharp and predictable. Many truck manufacturers are angry that the local content programme for trucks, including engines, gearboxes and rear axles, is pushing up costs beyond levels that are acceptable in the

Staff Reporter

market place

Many bus and truck assemblers asked the State owned engine producer to reconsider its latest increases in light of a firmer rand that makes imported components cheaper, an inflation rate that in the motor components industry stands at virtually zero because of price cutting and seriously under-utilised capacity and further reductions in interest rates

It is doubtful whether ADE is going to bend to industry pressure

It will point out that the latest increase, effective from March 1 and intended to last until September when the next increase is due - will give ADE an escalation rate of 24.5% per two years

Overstocked

Barry Osler, director of marketing at ADE, told Industrial Week "We are in a R50-million overstock position at the moment and the reason for this is related directly to the importing of engines, before protection for ADE became effective

"We accept this situation but find that recently ADE engines have been fitted to only 40% of all heavy vehicles sold. Manufacturers are carrying excessive stocks and we don't see these running down to normal levels before the end of the year"

One worrying factor for industry is that assemblers have been given only until February 28 by Government to build the engines they imported before December 3, when new 20% excise measures were introduced, and sell them

Impossible

This is impossible. Manufacturers have cut truck assembly down to the bare minimum in order to run down inventories and could not possibly assemble the CKD kits they are holding inside little more than a month

The only solution, to avoid an inflationary situation developing, is for Government to extend its February deadline indefinitely, a move it might be reluctant to make

The heavy truck industry is nearing crisis point, and manufacturers are sure to be asking for a period of consolidation so that they can absorb costs incurred in redesigning vehicles for local content

Another 120 at ~~300~~ GM retrenched ~~USA~~

18/1/83 E. Post

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By JERRY McCABE

GENERAL MOTORS today announced the retrenchment of a further 120 members of its workforce

These workers join the 230 who were retrenched by the company in December and the 200 in September last year, bringing the total to 550 in the past four months

Mr Peter Sullivan, GM's public relations manager, said today the continued economic downturn in the motor vehicle market had once again forced his company to reduce manpower in line with production schedules

"In keeping with the company's undertaking to minimise potential for retrenchments, GM in Port Elizabeth has been working a four-day week since October, 1982, and this situation will continue until further notice," he said

"Under the prevailing circumstances the company is forced to bring about a further measure of retrenchment

"The 120 jobs of factory workers affected by this adjustment have been discussed with the unions and the company has agreed to rehire as many of the affected employees involved as possible, when the economic situation improves"

Mr Dennis Neer, general secretary of the Motor Assembly and Component Workers Union (Macwusa), said GM's retrenchments were "unacceptable" to his union

"We feel that quite a lot of people are already unemployed and GM's move is only adding to the problem in the townships," he said

Workers were prepared to work fewer days and shifts as long as they knew

they had the security of their jobs, Mr Neer said

Mr Freddie Sauls, general secretary of the National Automobile and Allied Workers Union (Naawu), described GM's latest retrenchments as "unacceptable and disgraceful"

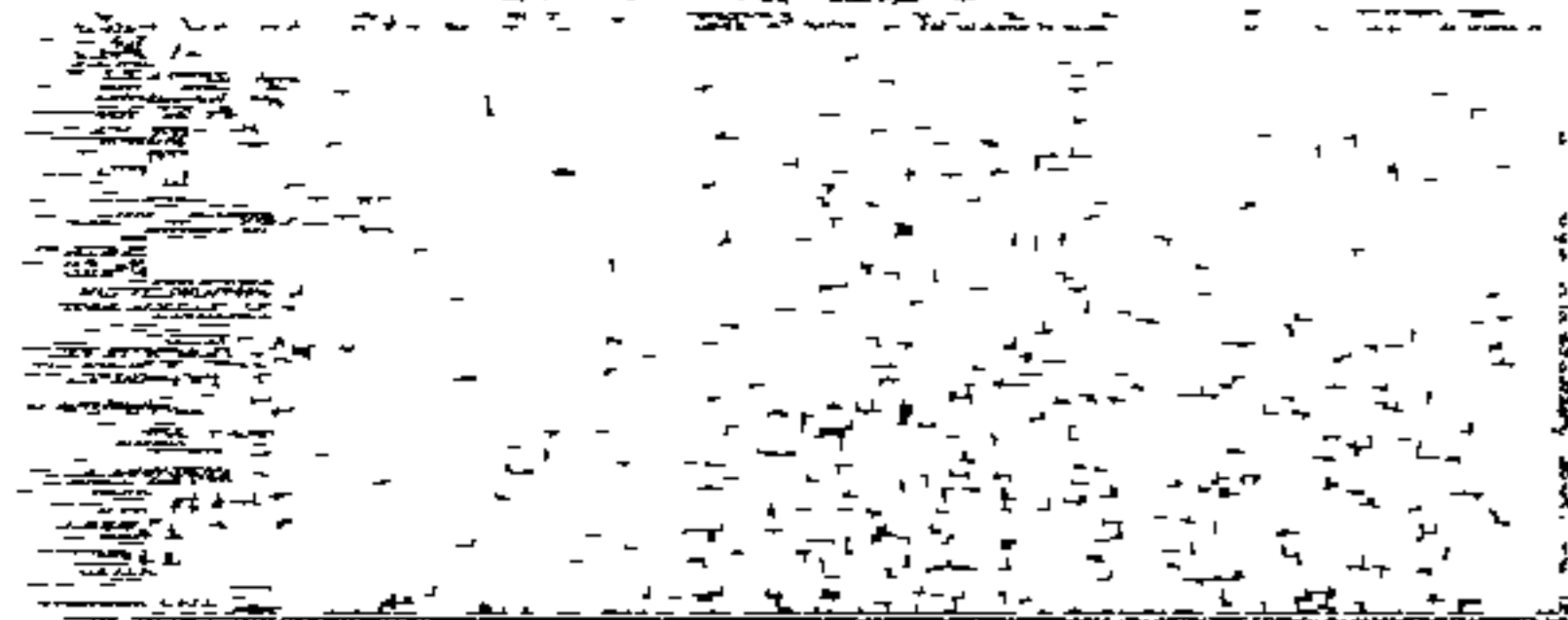
"We put forward several recommendations to them with regard to retrenchment and these were all rejected out of hand"

He said the motor companies were in a strong position because of the economic recession knowing workers tended to cling to their jobs

"They are using this opportunity to weed out the people they don't want in the company," Mr Sauls said

Ford and Volkswagen have indicated that they do not intend retrenching staff at this stage

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GM ^{D. Dispatch} lays off ^{19/1/83} more workers ⁽¹⁹²⁾

PORT ELIZABETH — A further 120 General Motors employees have been laid off bringing the total of retrenched employees to 550 in the past four months

Announcing yesterday's retrenchment, Mr Peter Sullivan, manager of Public Relations, said the company had agreed with the unions "to rehire as many of the affected employees involved as possible, when the economic situation improves"

Union leaders in the motor assembly industry have expressed dismay following the retrenchments

Mr Freddie Sauls, general secretary of the National Automobile and Allied Workers Union (Naawu) said that the economic recession was being used as an excuse to pay off workers

"This is very bad for our industrial relations," Mr Sauls said "Recession is being used to weed out certain workers"

Mr Dennis Neer, Motor Assembly and Components Workers Union general secretary, said the retrenchments were "unacceptable"

"It's the same old story we knew last week already that we would have problems, but the company never indicated there would be so many retrenchments," Mr Neer said

"The union will now ask the company to make public to us the details of its profits over the last five years, so that we can know that retrenchment is really necessary and why it should affect so many"

Mr Sullivan said yesterday that the continuing downturn in the motor vehicle market had once again forced GM to reduce manpower in line with production schedules

"In keeping with the company's undertaking to minimise potential for retrenchment, General Motors in Port Elizabeth has been working a four-day week since October 1982, and this situation will continue until further notice," Mr Sullivan said

"Under the prevailing circumstances the company is forced to bring about a further measure of retrenchment

"The 120 jobs of factory workers affected by this adjustment have been discussed with the unions, and the company has agreed to rehire as many as possible when the economic situation improves"
— DDC

Arms, drugs charges: 4 appear

PRETORIA — Four people, including a national serviceman, appeared briefly in the magistrate's court here yesterday in connection with alleged possession and theft of army rifles, Mandrax tablets and dagga

Rifleman Raymond Page, 19, of Voortrekkerhoogte, Mr Osman Chutumia, 39, of Johannesburg, Mr John Gregory Knight, 21, of Voortrekkerhoogte and Mr Yahyaa Ismael Bhamjee, 25, of Elandsfontein, appeared before Mr C S van Loggerenberg

They were not asked to plead and the case was adjourned until today

They are charged with stealing FN and R-1 rifles from the SA Defence Force, as well as being in possession of and dealing in 13 Mandrax tablets and about 400 dagga cigarettes

The prosecutor, Mr D Haasbroek, asked the court to postpone the case so the charge sheet could be properly formulated

Rfn Page was appearing for the second time yesterday On Monday he appeared with four other men in connection with the same charges, apart from the theft of an FN rifle

Eight people have so far appeared in court this week in connection with the same offences
— DDC

Ban overtime call to water workers

LONDON — Union leaders have called on Britain's 29 000 water and sewerage workers to ban all emergency work outside normal working hours from midnight last night and have ordered an all-out strike from midnight next Sunday if talks fail to resolve a pay dispute

Mr Ron Keating, assis-

tant general secretary of the National Union of Public Employees (Nupe), said industry would be subjected to severe water rationing if the walkout went ahead He added burst water mains and sewage overflows would be left unrepaired when they occurred outside normal daytime working hours

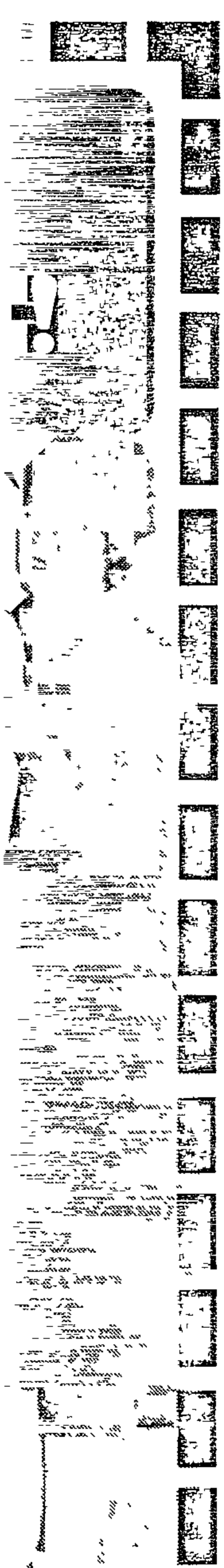
Strikes paralyse Italian industry

ROME — Italy's major industries were para-

Ex-minister on war crimes charge

PARIS — A former government minister, Mr Maurice Papon, will be charged today with involvement in the deportation of Jews from France under the Nazi

Mr Papon, 72, was Secretary-General of the Prefecture in the Gironde region of southwest France from 1942 until 1944 when several hundred Jews were



Women stop engines running

THE entire black workforce of Associated Diesel Company (Adco) went on strike yesterday in sympathy with a colleague who was dismissed from work last week.

The workers — all drivers — stood outside their West Street premises in defiance of a directive by management to return to work.

They said Mrs Anna Radebe was dismissed unfairly and they would not return to work until she was reinstated. The work-

ers mainly women drivers of the company's light vehicles said if they would ensure that nobody turned up to fill their positions.

The manager Mr P Wood told the strikers they were involved in an illegal strike and he had therefore decided to call in the police.

He threatened Pressmen who took photographs of him. The company's mechanic a Mr Venter, grappled with camera-men

demanding they hand over their films.

Mr Wood said anybody who took pictures of him should bear in mind what happened to Gordon Winter, a self-confessed former spy for Boss.

The strikers complained about their working conditions saying they were paid low wages and were made to work long hours often having to go without lunch or tea breaks.

What happened to Mrs Radebe, the first woman driver to be employed by this company can easily

happen to any one of us. She was not given any notice and was only told on pay-day last Friday that she had been fired. It is for that reason that we are striking and we are demanding she must be immediately reinstated, the workers said.

When Mr Venter came across the street towards the strikers he was threatened and when he grappled with the newsmen the women said they would manhandle him.

Mr Wood asked that two of the strikers should come forward to meet the company's managing director but they declined.

TRUCKING COSTS (192)

Cutting corners

Fm 21/1/83

Transport operators are turning to low-cost truck rebuilding programmes to reduce costs of fleet replacement

It is hardly surprising. In many cases the life of a truck can be nearly doubled by a reconditioning which costs about half the price of a new vehicle. Government's local content rules on engines, gearboxes and axles have had a lot to do with the current high prices of new trucks.

One of the companies which is cutting back on purchases is Cape-based Auto Carrier Transport, the biggest local auto-ferry concern.

Says MD David Taylor "We rebuild five of our 68-unit Mercedes Benz fleet each year. Many complete more than 500 000 km without major overhaul, but when they have logged about 1,2m km, we rebuild them.

"If we spend about R25 000 on reconditioning a Mercedes Benz we get 90% of the life of a new truck. The additional benefit is that since this qualifies as repair and maintenance, we get 46% tax allowance which brings the cost down to something like R12 000, instead of the R60 000 one can expect to spend on a new truck.

"The tax concession is also immediate and does not have to be spread over the three year write-off period. This reduces the actual cost to something like 15% of a new truck, in real terms. The only drawback is that financing must come from cash flow."

23/1/83
Renault R42-m expansion (192)
new model, new name (14)

By Don Robertson *Sowetan*

RENAULT Africa, soon to be known by its new name, Euromotors, plans to invest R42-million in South Africa over the next two years to launch the new R9 model, European "Car of the Year" in 1982.

To finance the project, which will herald a concerted attack on the local market, the company has established a unique, six-year leasing agreement with a group of financial institutions headed by the French Bank and Barclays.

The balance will be provided by the parent company in France.

In terms of the local borrowing facility, R20-million will be provided by a group of financial institutions which will buy the touring and other equipment and lease it to Renault for a period of six years.

Tax concessions and "favourable" interest

rates will mean that the company will pay an effective rate of between 4% and 5%, according to managing director Bernard Vernoux.

Regie Renault of France will provide the remaining finance in the form of spares

At the end of the six-year leasing period, Renault will consider the establishment of its own assembly plant.

The new model will be produced at the Leyland assembly plant in Elsie's River, which is operating at well below capacity and threatened with staff lay-offs. The R5 model will continue to be assembled by Toyota.

Renault currently enjoys a 2,5% share of the SA market, but hopes to boost this to around 6% in the second half of the year after the launch of the R9 model, expected in June.

Anglo American takes all

Chrysler sells Sigma stake

By HOWARD PREECE

THE Anglo American group is buying the 25% stake held by Chrysler Corporation of the US in Sigma Motor Corporation.

Anglo holds the other 75% — 37% through the main Anglo American Corporation (AAC) and 38% through Anglo American Industrial Corporation (Amic)

Mr Chris Griffith, the chairman of Sigma, declined yesterday to say how much Anglo was paying Chrysler for its stake in the South African group

A fairly hefty sum must, however, have been involved.

In 1980 Sigma made a pre-tax profit of more than R25-million and in 1981, according to Amic, the figure was 6,5% higher, which would take it to about R27-million

No figures are available for 1982, but Mr Griffith has admitted that Sigma incurred a loss last year

Apart from Sigma's particular problems, the motor industry is heavily cyclical and Chrysler is presumably getting tens of millions of rands for its holding

How much might depend, though, on how anxious a seller it was.

On the surface, Chrysler's decision to sell looks strictly business.

The US company piled up

colossal debts of \$3 500-million between 1978 and 1981 and although its finances looked much healthier last year the group's future is still precarious

In fact, it is so much in debt to the US Government that the Sigma holding sale technically requires the approval of the US authorities

That should be a formality. Selling overseas assets looks, therefore, a matter of necessity

But in the past few years several overseas companies have been selling some or all of their fixed investments in South Africa

In nearly every case commercial reasons have been advanced, but it has been difficult to avoid the conclusion that politics has played a role, even if only a supporting one, in some instances

At any rate the Chrysler-Anglo deal represents another example of disinvestment in this country for whatever motive

It also seems as if the deal has been structured in a fairly complicated way

The announcement from Sigma said that "the agreement has the approval in principle of the exchange control authorities in South Africa"

Mr Griffith said, however, that it was not a simple "cash-financial rand operation"

Sigma's main interest is in the Mazda range and it has little direct involvement with Chrysler

In future, however, it will still have "the right to distribute any new Chrysler products in South Africa"

There seems no reason for Sigma staff to be affected by the ending of Chrysler's holding

But Anglo will have 100% control and will no longer have to consider, if it was ever a problem, the interests of a large minority shareholder

AAC and Amic will have 50% each of Sigma ex-Chrysler

~~192~~ 192 ~~192~~ RDM 27/1/83

Service team 28/1/83

Firm pays off 93

THE FIRESTONE Tyre Company this week laid off 93 of its workers in across the board cut-backs and the Ford Motor Company announced it was to work a four day week at three of its plants.

Spokesmen for both companies blamed the lay-offs and cut-backs on the current economic climate, and said that the situation was being closely watched to de-

termine whether further action was warranted

Mr Percy Watchurst, director of manufacturing at Firestone, said those workers with the shortest service records had been retrenched first, and that the cut backs had affected all sections of the company

He said that Firestone had been working a four-day week since last September and had

done everything possible to avoid laying off workers

There were no plans for further staff reduction "at the present time", he said, but the long-term situation would depend on the economic situation

The Ford plants affected are at the Neave and Struandale engine and truck assembly plants — Sapa

Abnormal load

Heavy-truck dealers are sitting with unsold stocks of some 12 000 vehicles valued at R170m — eight months supply at current rates of sale

Manufacturers' stock levels are also uncomfortably high and even their engine supplier, Atlantis Diesel Engines (ADE), has recently laid off staff due to stock problems of its own

One manufacturer has expressed the hope that the squeeze will finally force some of the weak from the hopelessly overtraded heavy truck market in which there are now 16 manufacturing contenders. But bankruptcies among dealers are more likely

The slump in sales from 30 742 heavy vehicles in 1981 to 23 764 last year and an expected 18 000 this year has contributed to the stock build-up. Furthermore, many manufacturers and dealers laid in large inventories of trucks fitted with imported engines to beat the deadline by which they were obliged to use the more expensive ADE-engined vehicles

Industry sources say at least half the present overstocks are fitted with imported engines

Brian Wegner, marketing director of Magnis Truck Corporation, says "This is a very bad situation. Dealers are asking manufacturers for more assistance, and this is just not possible because manufacturers are pricing their vehicles to sell and not according to costings

"In this environment, the funding of stocks becomes critical. If a dealer has three vehicles and cannot sell them within the three month interest-free period allowed by the manufacturer, he either has to pay for them or meet interest on their value of about 20%



Heavy truck stocks ... dealers' nightmare

"Where is he going to get R120 000 to buy three vehicles he cannot sell? And how can he afford to pay these rates of interest?"

Used truck prices have also gone soft as large fleetowners place unnecessary vehicles on the market, and many smaller truck operators sell at giveaway prices simply to raise cash

Manufacturers will doubtless extend some assistance to dealers, possibly by charging no interest until existing stocks have been cleared

Hans Steyn, national chairman of the 2 000-strong National Automobile Dealers' Association (NADA) comments "This is a very bleak situation, to put it mildly. By the time a dealer has washed out his inventory

at old prices he will not be making any money

"It is the specialist heavy truck franchises that are feeling the pinch most because they have to carry a representative range"

The only good news in sight is that interest rates are falling which should bring some funding relief to dealers

Motor (192) parts ~~2/25~~ makers hit by ^{E. Post} slump _{29/1/83}

By WAYNE ASHER

THE motor component industry in the Eastern Cape says it is going through its toughest time ever — and things are expected to get worse

Some companies are working below 50% capacity and more redundancies seem certain next month

All have been hard hit by the short time at the "Big Three" car plants

This week, the component plants decided to trim working hours as orders dwindled

The Ford motor company's Neave, truck and engine plants this week began working a four-day week

General Motors has been on a four-day week since October

Volkswagen has been working a four-day week since January 17

One of the worst hit component makers is the Sidwell company Auto-Press, which supplies all the "Big Three" motor companies

The manager, Mr Mike Dibben, said that like many others they were not asked to deliver parts to Ford's Neave, engine and truck plants on Monday this week

This came as a further blow to them in what was already a difficult period

Orders from General Motors were also very low

"The situation is becoming a bit drastic now. Since last year we have gradually cut our work force from 100 to 50. We haven't replaced men who've resigned"

Mr Dibben said they would try to keep the men they had now, even if it meant working shorter hours

"We're operating at about 60% capacity at the moment. I'm hoping that business will pick up in about August," he said

Mr Chris Mangold, managing director of Acem Holdings, said that as from next week their production sections would go on to a

192
Union gets
wage deal

29/1/83
Labour Correspondent

TRAILER manufacturers Henred Fruehauf and Fosatu's Metal and Allied Workers' Union have negotiated an interim wage agreement at the company's New Germany plant outside Durban.

According to a joint statement by Henred and the union, the agreement provided for an across-the-board increase of 16c an hour, which brings minimum starting pay at the plant to R86 a week, "well above the average starting wage in the area".

Mawu's shop steward chairman at the plant said union members were satisfied with the increase.

50/1/83 Times (192)

New motor giant born

By Julian Kraft

A NEW giant has been established in the motor industry following the merger this week of Parko and Veltol Components

Parko, a division of a subsidiary of the JSE-listed Malbak, and Veltol Components say they will operate as a new 50/50 partnership which will have annual sales in ex-

cess of R10-million

Veltol Parko is expected to become a major force in the brake and clutch industry

The merger establishes the new company as the market leader in the R40-million-a-year replacement sector of the clutch and brake market

Its monthly production rate will be about 25 000 sets

of brake shoes, 10 000 cover assemblies and 15 000 clutch-driven plates

A company spokesman said this week that increased production levels were expected to eliminate the duplication of some expenses

"This means we should be in a better position to hold prices than previously"

How the rot set in at Sigma

CHRYSLER'S comeback in the US motor industry would have put it in an ideal position to offer some sound advice to Sigma Motor Corporation, South Africa's most troubled motor-maker.

Instead, and probably as part of its recovery efforts, Chrysler has sold its 25% interest in Sigma to the company's other shareholder, Anglo American Industrial, the industrial arm of Mr Harry Oppenheimer's mining house.

Sigma sorely needs a helping hand. In the past year, its market share has slumped and it has run up enormous losses.

The managing director and five other members of the company's nine-man executive committee have left and the morale of its 350 dealers is low. By the end of 1982, in the words of one Sigma dealer, the company was "the laughing stock of the motor trade".

This has been a stunning reversal of fortunes for the ambitious venture set up in 1976 by a merger between Chrysler's SA subsidiary and Illings, an Anglo American company which produced Mazda and Mitsubishi vehicles.

Sigma assembles Mazda, Peugeot, Mitsubishi Colt and Citroen cars as well as a number of commercial vehicles. Sales of cars in South Africa fell to 283 433 in 1982 from 300 000 in 1981. Demand for commercial vehicles dropped to 118 926.

At its formation, Sigma's share of the South African vehicle market was less than 7%. By 1980, it had risen to top of the car sales league with a 19.9% market share, plus a useful slice of the light commercial vehicle market.

One of the reasons for this sharp increase in market penetration was Sigma's takeover in 1979 of Peugeot and Citroen's South African operations.

However, the French connection also signalled the beginning of Sigma's problems.

The transfer of Peugeot's manufacturing activities to

Sigma's sprawling assembly plant near Pretoria caused a string of quality-control problems, both on the assembly line and in the paint shop. A team of French engineers was sent out to help improve matters.

Largely as a result of the Peugeot troubles, Sigma's car sales slipped from more than 55 000 in 1980 to 51 000 in 1981, a year of record sales for the industry as a whole. Its market share dropped to below 17%.

Matters worsened last year when the deepening recession in the South African economy left many manufacturers with large unsold inventories. Sigma's strategy was to offer large discounts, especially on Mazda hatchbacks.

The discounting policy misfired. Demand for discounted models was so heavy that the factory could not keep up. At the same time, the market for other models dried up.

A director of one of Sigma's largest customers observed that "the dealers were not happy, but their complaints were not heeded or acknowledged". One particularly sore point was that Sigma told dealers to police unofficial price-cutters themselves.

By last month, the company's share of the car market had fallen to only 11.9%, putting it in fourth position after Toyota, Datsun and Volkswagen. Sigma sold fewer than 45 000 cars last year, more than 22% below its 1980 peak.

Sweeping steps are being taken to undo the damage of the past two years. A new chief executive was appointed last month. He is Mr Spencer Sterling, 48, a South African who has worked for Ford for the past 26 years, including a spell as the head of its operations in Taiwan.

Mr Sterling told dealers within two weeks of taking up his post that Sigma would itself try to ensure that dealers did not undercut one another.

He has revamped Sigma's management structure, ordered changes to new models, and revised launch planning schedules.

Mr Sterling is sure that he will succeed. "The patient is critically ill, but emphatically not terminal," he says. "I am confident it will be fit and well by the beginning of 1984."

Few people will be watching his performance more closely than Mr Chris Griffith, Sigma's chairman, who is also a director of Anglo American and is one of South Africa's most aggressive businessmen.

The problems at Sigma have severely dented Mr Griffith's reputation as one of SA's most able executives. Mr Sterling's performance will probably depend to a large degree on whether he and Mr Griffith can get on together and rebuild Sigma's market share. *Financial Times*

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chance

192

Farm tractor sales tumble 59 percent

Lowest
turnover
in 20
years

(92)
Star
1/2/83

Financial Staff

Sales of farm tractors last year tumbled by 59 percent to 10 822 units from the record 28 862 in 1981.

This was the lowest level in 20 years.

Manufacturers and assemblers faced increasingly keen competition during the year.

The general recession, coupled with lower crop yields and drastic drought conditions, were the main causes of the sales drop.

Massey-Ferguson held top position with 2 310 units, reflecting a 22.6 percent market share.

This was followed by Fiat with 2 106 units (20.6 percent), Ford with 1 904 units (18.6 percent), John Deere with 1 691 units (16.5 percent) and Malcomess with 775 units (7.6 percent).

Commenting on the MF performance, Mr John Turpin, general manager of Fedmech, said the back-up efficiency of the MF dealer organisation had been a major factor contributing to its success.

"We have adopted the Atlantis Diesel Engine (ADE) programme without reservation and our confidence in the project has not been misplaced," he said.

He said farmers had become "highly selective" in their choice of capital equipment, and he claimed they had taken to the MF/ADE combination with enthusiasm.

trucks with these imported engines to fill present demand levels until August

If it increases production tempo and produces all its trucks with imported engines before March it would avoid the tariff. But this would add to its stock of unsold vehicles and would increase pressure to close its plant.

Naamsa

It has accordingly asked that the National Association of Automobile Manufacturers of SA (Naamsa) apply to the authorities for an extension of the tariff deadline until August. But Naamsa has turned down the request.

The manufacturer, one suspects, laid in excessively large stocks of imported engines in the hope that it could somehow avoid buying the more expensive ADE engines.

HEAVY TRUCKS

Diesel dilemma

FM 4/2/83 (192)

The depressed market for heavy trucks has got some truck builders stretching production schedules to avoid excessive staff layoffs and plant shutdowns. But this could raise problems when the Atlantis Diesel Engine (ADE) model 407 TI engine comes into production in March.

From then on, trucks containing the imported equivalents of the 407 TI will be subject to a 30% protective tariff.

One truck manufacturer has enough

Farm school given a new home

Weekend Post Reporter

E. Post

5/2/83

THERE were shouts of joy today when pupils of the St Albans Farm School moved into their new school building, erected this week

The school was built as part of the social action programme undertaken by General Motors in Port Elizabeth

Exactly a year ago, to the day, the motor company decided to offer a helping hand to the school principal and pupils of the farm school at St Albans, about 20 kilometres outside Port Elizabeth

General Motors managing director Mr Lou Wilking handed the keys of the new school to the principal, Miss Regina Sili at the official opening on the farm of Mr Craig Mennie

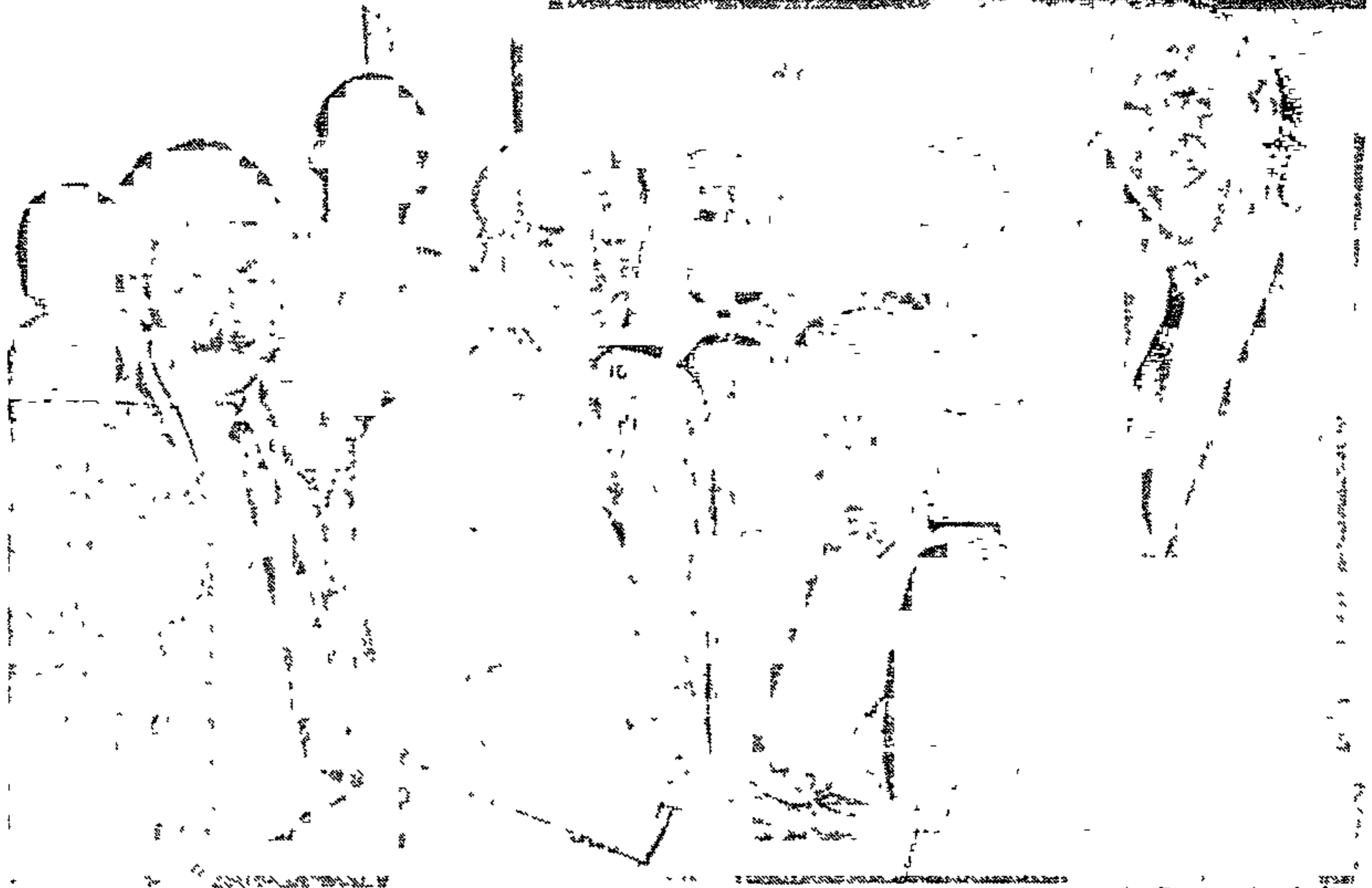
Miss Sili said that when she joined the school eight years ago it was "just a mud-walled building in which we at times had to contend with snakes slithering through the floorboards"

"Last year General Motors offered to assist in building a new school and now there it stands — we even have new toilets. We don't have to worry about snakes or a leaking roof anymore," Miss Sili said

Mr Pieter Herbst, the motor company's manager of training and development, headed the social action programme. He said that apart from General Motors' involvement, various companies in Port Elizabeth and East London donated material for the school

"Everybody helped to build the school — pupils included. We plan to build two more classrooms — there are already some 180 pupils — and assist with the layout of a rugby field and the relocation of the netball field

He said the General Motors social action programme, aimed at the upliftment of living standards in the local community, is involved in 21 similar ventures involving 10 000 schoolchildren



A happy moment for the St Albans Farm School at the official opening this week. From the left, Mr CRAIG MENNIE, owner of the farm; Mr LOU WILKING, General Motors managing director, Miss REGINA SILI, the school's principal; and Mr PIETER HERBST, manager of training and development at GM.

day, February 10, 1983

~~1404/152~~

(192)

Letters to the Editor Sowetan 10/2/83

Paintshop strike view

SIR — I hope that my letter will be considered as very urgent because of the serious situation existing at our company Datsun Nissan at Rosslyn in Pretoria

When all the black employees at Datsun went on strike over wages last year in December we at the Paintshop did not go on strike and are now being called traitors and sellouts and in some cases we were nearly assaulted in arguments that ensued I would nevertheless like to make the following issues clear

(1) Our department, being isolated, was never consulted on the strike Had we been told we would definitely have gone out on strike with them because what they went out on strike for affected us as well

(2) By the time we realised there was a strike on it was virtually over Even up till then we thought that it was only

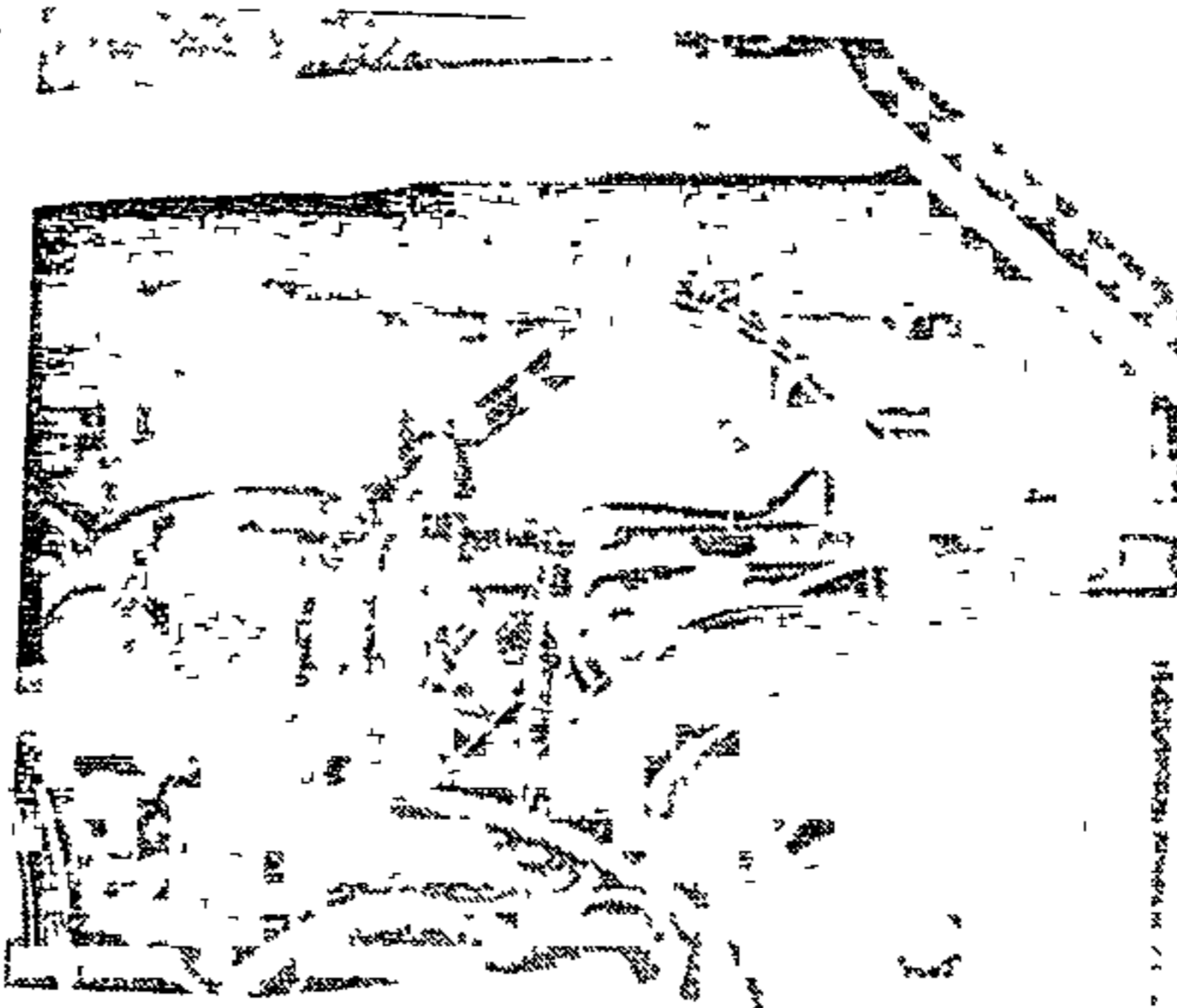
a departmental strike by VAD section because we have had departmental strikes before

(3) The most important thing about paintshop is that over the years we seemed to have been given the harshest white supervisors

(4) The company, realising it had problems, engaged labour relations consultants who questioned nearly all the employees in the company on conditions of employment Until then the company had turned a blind eye on all that was happening

(5) We then had our first strike and immediately thereafter the company went into very heavy training with emphasis placed on white management

(6) The employee council bore results almost immediately because we noticed a lot of meaningful changes and the implementation of certain structures that func-



MOTOR WORKERS. Labour conflicts at plant.

tioned very well The most critical thing that happened was that our white foremen were then sent on a two weeks labour relations course Here we must pay special thanks to Mr Gert van Zyl and Mr L Khumalo, the course leaders from an outside company who did the "impossible"

There was a noticeable change in the peo-

ple who went through the course We were sceptical and thought it would not last We were being treated like human beings not 'kaffirs' anymore The assaults stopped and here again we must give credit to Mr J Stone who policed the area relentlessly

Ever since then the relationship has improved to the point where the consultants virtually made the

Namib Desert bloom
(7) Our situation improved dramatically after our superintendent went through the same course last year Who can then blame us for being over-cautious on a situation which was never discussed with us We don't want to return to that situation of three years ago when "paintshop" was the worst department in the whole company

(8) We sympathise with our brothers but we are not sell-outs or traitors If a meeting had been called and a unanimous decision to strike had been taken, we would definitely have gone out on strike as well

Let nobody think something else — what the company needs is a top, effective black labour relations manager

CONCERNED SOUL BROTHERS

Bophuthatswana

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Renault returns to SA with R42-m

192 APP

Star
9/2/83

After an absence of nearly seven years — during which time the Renault 5 was manufactured and marketed by the Wesco Group — Renault has returned to the South African car market as the 11th independent car company marketing passenger cars and light commercial vehicles



Mr Bernard Vernoux, MD of Renault Africa, says South Africa has an expanding market

office and 15 engineering technical staff at the two plants

When the Renault 9 is launched later this year it is Renault Africa's aim to sell in the order of 1 000 units a month for the balance of 1983 "We see the Renault 5 maintaining sales of between 550 to 600 units a month, while we have set a target of at least 1 400 to 1 500 units a month for the Renault 9 during 1984, its first full year of production in this country," Mr Vernoux says

Referring to the marketing of Renault cars, Mr Mostert says the company's dealers are well-motivated and positive with regards to their future with Renault

Mr Vernoux says the South African car market has changed considerably during the last few years, largely as a result of higher fuel prices, bringing it in line with the European scene "Our new entry — the Renault 9 — we believe will combine economy, modern engineering and styling, excellent aerodynamics and an overall package attractive to the private buyer and the fleetowner"

The new company, Euromotors, operating as Renault Africa, is based at its custom-built new headquarters at Jet Park near Jan Smuts Airport, from where sales and marketing, administration, training, national parts distribution and after-sales will be co-ordinated

With a total investment of R42 million during the next two years Renault has illustrated its determination to become a major force in the South African car industry The Renault 5 will continue to be manufactured at the Toyota plant in Natal, while the Renault 9, which has had much success in Europe, will in terms of a manufacturing agreement with Leyland South Africa be built at the company's Elsie's River plant in Cape Town

Spearheading Renault's return to South Africa is Mr Bernard Vernoux, managing director of Renault Africa, who has served Renault in various executive capacities for the past 23 years

He is assisted by Mr A P van Z ("Mossie") Mostert, previously an executive director of Renault in the Wesco Group and now appointed marketing director of Renault Africa, and Mr Alec Botha, the new company's after-sales director There is a staff of 100 at head

External
(3)

NOTE CAREFULLY

- 1. The answers only on the right hand pages will be marked. The left hand pages may be used for rough work, but no credit will be given for such work
- 2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
- 3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
- 4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

WARNING

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

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Govt goes ahead with engine duty

Industrial Week
10/2/83

AN eleventh hour attempt to defer the protection deadline on the 407TI truck engine, produced by Atlantis Diesel Engines (ADE) has failed. Protection against imports comes effective, as planned, from the beginning of next month

The attempted deferral of protection was

Staff Reporter

made at the official request of a member of the heavy commercial vehicle division of the National Association of Automobile Manufacturers (Naamsa)

Naamsa sought the views of other manufacturers who have voted against deferring protection by the suggested six months, until August 1

The 407TI is the last engine in the in-line six range to come under the 30% import duty, levied on the wholesale price of a truck chassis/cab containing an imported engine

ADE's protection package is now virtually home and dry

Impractical

The only question remaining is whether the Vee range, will be admitted to the official list of local engines

In support of the deferment request it was stated that the continuing downturn of the heavy truck market makes it impractical for heavy truck manufacturers to enter into an

emergency assembly programme in order to ensure that all previously imported engines are built into trucks by the end of this month

The engines were bought some months ago when the market was in a buoyant state and manufacturers have been caught with heavy inventories of engine imports

Several now face a desperate situation in which the pressure to assemble imported units could create excessive inventories and cause plant shutdowns and further retrenchments of assembly line personnel

Looking on the more positive side, the final vote does at least indicate that the majority of heavy truck producers have come to terms with the deadline set for the local content programme on engine

This does not, however, extend to the hotly disputed protection of gearboxes and back axles

Protection for these is by no means clear

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

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Degree/Diploma/Certificate you are registered (e.g. B.A.)

Subject... *ECON*
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Paper No... *PAP 2*
 (to be copied from the header)

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3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.
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Union plans court action on job losses

Labour Correspondent

A BLACK trade union, the United African Motor and Allied Workers Union, is planning court action against the Datsun-Nissan motor company in the wake of retrenchments at its Rosslyn plant near Pretoria last month

About 100 workers were retrenched and the union is considering action alleging the workers were victims of an "unfair labour practice or were dismissed 'unfairly'"

Comment from the company could not be obtained yesterday

News of the planned legal action came yesterday in a statement issued by union general secretary Mrs Dora Nowatha calling retrenched workers to a meeting at the union's offices in central Pretoria

In the statement, the union called on "all union and non-union members who were retrenched by Datsun-Nissan Rosslyn to report to (the union office, to discuss the pending court action they intend taking with regard to unfair dismissal and unfair labour practices"

It urged the fired workers to report to the union office 'as soon as possible as the matter is very important and urgent

Mrs Nowatha said yesterday that no papers had been served on the company and the union had not yet decided whether to proceed in the industrial court or in the ordinary courts

This would be decided, she said, after consultation with the retrenched workers and with the union's legal adviser

Sigma to
lay off

ARCUS 16/2/83

700 workers

192

Argus Correspondent

PRETORIA — Sigma is to lay off temporarily 700 workers at its Pretoria production plant within the next three weeks

The workers who represent 35 percent of the work force, will receive 70 percent of their normal weekly wages during this period

The motor corporation said the move is essential to correct stock imbalances and reduce inventories in its passenger vehicle model ranges

Production has been planned so that no workers will be laid off for more than 10 working days, a spokesman for the company said today

The National Automobile and Allied Workers Union (Naawu), which represents the Sigma workers, has accepted the conditions of the company

Impressive market grab

1972
 16/2/83
 Stan

By Stan Kennedy

In less than nine years Durab Industries of Alrode has grabbed a third of the fork-lift truck market for Toyota in South Africa

Starting in 1974 as an importer of Toyota fork-lifts, industrial vehicles and front-end loaders, it mustered five per cent of the market in its first year. Competition was stiff. Up to 1977 more established companies such as TCM, Hyster and Clark took most of the business.

At the time there were heavy surcharges against Toyota and an unfavourable exchange rate. This forced Durab to put in local content, such as frames, masts and counter-weights, bringing the local content to about 55 per cent.

Treated almost as an interloper, the company was kept in the dark about the true state of the market.

"There has always been a lack of statistics," says Durab's owner and managing director, Mr Michael Jonkers.

MARKET

"Certain dealers would not co-operate in giving us the true position, and for nine years we have involved ourselves meticulously in finding out precisely the state of the market."

"Despite the obstinacy and ignorance we have been able to come up with the facts that about 2 000 fork-lifts are sold in a good year and 1 200 to 1 500 in a bad year. In 1981 we sold more than 500 units, which placed us second in the market."

The Fork-Lift Manufacturers' Association was formed in 1981. Durab was not asked to join. "I believe they wanted to eliminate us because we have become a threat to them," says Mr Jonkers.

"They relented and we were invited to join a month ago, perhaps because we are the only factory outside Japan making fork-lift trucks. That sort of arrangement they could not ignore."

After the Toyota franchise was renewed last month the company immediately set about to bring greater concentration on servicing and maintenance.

WORKSHOPS

It acquired the factory of PM Hunt, manufacturers of specialised machining and gear-

cutting, and is spending R500 000 on developing modern workshops, where units for repair or servicing will be steam-washed, diagnosed for faults and the paintwork re-touched.

The company is bringing in innovations such as a driver's training school for customers' staff and a computer-controlled spares department. It will design and manufacture fork-lift attachments to customers' specifications.

"Being a family firm we have to work just that little harder to stay in front. Our exhaustive plans to satisfy the customer will give us the edge in our marketing policy," Mr Jonkers says.

Staff cuts as car production stalls

THE SIGMA Motor Corporation yesterday advised its workers that there would be a temporary slowing down of production over the four-week period from February 21 to March 10.

The company says the move is essential to correct stock imbalances and reduce inventories in the corporation's passenger vehicle model ranges.

Sigma has consulted with the National Automotive and Allied

Workers' Union (Naawu) on this issue.

Some 700 workers at Sigma Park near Pretoria will be temporarily laid off but production has been planned so that no workers will be laid off for more than 10 working days.

This means workers will receive 70 percent of their normal weekly wages in terms of the provisions of Sigma's supplementary unemployment benefit fund.

Sigma expects to re-

sume normal production to prepare for the introduction of new models after March 10.

Sigma also anticipates it will need to re-engage many of the workers who were retrenched in November last year. This temporary lay off is but one of many actions required to restore Sigma to profitability.

As the managing director Mr Spencer Sterling said: 'Some of the medicine we'll have to take will be bitter' — Sapa

Sigma will lay off 700 for 10 days

Star 18/2/83 Labour Reporter

The Sigma motor company's plant near Pretoria will be temporarily laying off about 700 workers from next week because of the slump in the motor industry

A company statement said none of the affected workers would be idle for more than 10 days as the lay-offs were being staggered, and workers would receive 70 percent of their weekly pay

The lay-off is for a four-week period from February 21, and the action was required to help restore Sigma to profitability, the statement said

A spokesman for the National Automobile and Allied Workers' Union said Sigma had contacted them about the temporary lay-offs in advance. The union felt it had negotiated the best possible settlement in the circumstances

Where's the magic formula?



Once upon a time, the apprentice of a famous sorcerer tried using a magic spell to make his broom fetch buckets of water to fill his master's bathtub. The spell worked perfectly and soon the tub was full.

But then the apprentice found he had forgotten the spell to stop the broom's task. And, in no time at all, the tub overflowed and water flooded the sorcerer's house.

In desperation, the apprentice seized an axe and chopped the broom into little pieces, but each little piece quickly grew into a full-sized broom, which carried water just as willingly as the first.

When the sorcerer came home, he commanded the flood to subside and made the many brooms vanish.

He said to his servant "Now you see what happens when apprentices like you dabble in magic."

After that frightening experience, the apprentice worked hard and one day became a famous sorcerer himself.

A parallel to this ancient fairy tale is presently unfolding in SA, but it may not have such a happy ending. Instead of brooms and water, our modern sorcerer's apprentices, government planners, are being buried under a mound of unsold diesel engines made by their creation, Atlantis Diesel Engines (ADE). And their desperation is now probably as great as that of the unfortunate apprentice of old.

The idea of a local diesel engine manufacturer was conceived in 1978 as a solution to the threat of boycotts. A solution it may be, but it is one that has exacted a high price in the form of a burdensome, government-sanctioned monopoly and rocketing costs for truck and tractor manufacturers. Some authorities put the value of ADE's growing overstocks of unsold diesel engines and components at between six months and a year's supply.

The company had the misfortune of coming fully on stream this year at a time of plunging truck and tractor sales. But, as is typical of monopolies in this type of situation, it recently increased its prices when unprotected industries would normally be contemplating the opposite action. At the same time, tariff protection against imported engines was in some cases raised to more than 50%. This is far above the tariff guidelines of the Board of Trade and Industries (BTI) and against the spirit of the General Agreement on Tariffs and Trade (GATT).

Despite these efforts artificially to eliminate competition and to boost unit sales revenues in a falling market, ADE is still making losses. Marius de Waal, MD of the Industrial Development Corporation (IDC), its main shareholder, says a further injection of capital may be needed if sales do not meet this year's revised targets.

A further problem is that ADE is now in the ludicrous situation of being locked into continuous production, despite its huge stock levels. One reason is that it is having to "prove out" the production capabilities of a newly-installed machining line within the specified warranty period. If the line is not put into production now, potential snags and teething troubles could become apparent only after the warranty has expired. This could also prove embarrassing if they were discovered at a later stage when full operational efficiency is required.

Closing the line would disrupt training schedules and necessitate staff reductions already some 250 of ADE's 2 250 workers have been laid off.

The line must be kept going also to help fulfil ADE's commitments on local content to the BTI. ADE's tariff protection was granted on condition that the proportion of locally-made components in its engines be increased according to an agreed timetable.

It has adhered to this timetable, but because of falling sales it had to switch to locally-made compo-

nents before its stocks of certain imported components were exhausted. Marketing director Barry Osler says these imported stocks are now being used sparingly as the company is maximising its use of local components and that they will be run down only when demand for engines picks up.

De Waal says ADE should work at about 42% capacity to achieve sales of 19 000 units this year, a far cry from the 41 640 announced by the company to component suppliers in March 1981. He gives next year's figure as 22 000 — the earlier projection was 47 800. His figure for 1985 is 30 000 units against the earlier projection of 51 330 and he claims that the company should make its first profits in that year.

But this represents a plant utilisation of only about 66%. It is questionable whether such a capital-intensive plant could run profitably at this level unless its engines are sold at exorbitantly high prices.

Motor industry sources say that ADE's troubles stem largely from its misreading of the market. Not only did it over-estimate total demand for diesel-powered vehicles, but it also underestimated the number of imported engines its customers would stockpile, before excise duties were payable, to avoid paying ADE prices.

It also failed to anticipate the way in



ADE's diesels ... piling up

Customs officials would interpret the excise duty regulations on imported engines. It was expecting that an excise of 30% of the value of the entire vehicle would be imposed on trucks fitted with imported engines. Instead the excise was calculated on the value of the chassis and cab only.

This meant that some makes of Japanese trucks with imported engines were cheaper even after paying the duty than were identical models fitted with ADE engines. Excise rates have since been raised to close this loophole which admitted many untaxed imports.

We were led up the garden path by... customers placed large orders with us and then cancelled them... because they did not believe we would be able to deliver on time and partly because they saw possibilities of importing through the customs loopholes.

ADE also committed itself to what one vehicle manufacturer describes as 'inordinately long lead times' of five months with a major overseas supplier.

'A long lead time is anathema to the industry and it is particularly bad in a falling market,' he says. 'As sales fall stock builds up which compounds the the stock cover. It is also more difficult to get suppliers to reduce than to increase their

deliveries.

Another surprise was the necessity to produce more than 300 variants of 12 basic engine models when ADE had been hoping the market would be satisfied with 175.

As one truck builder points out, this is one of the burdens of the monopolists who are forced to supply the entire market.

Despite these troubles ADE's capital investment programme which will eventually total R420m is not to be cut back. There has been no mismanagement at ADE, says De Waa. 'If the excise duty had been applied as we anticipated there would have been far fewer imports.'

'Furthermore none of us expected truck and tractor sales to fall as much as they did. Even the vehicle manufacturers themselves were taken by surprise.'

'We now have a duty to cut costs as much as possible. But we will do all we can to avoid repeating the traumatic experience of last year when we had to let 10% of our workers go.'

He should perhaps also insist that ADE's management do some tough talking to its overseas suppliers on shortening their delivery pipeline and taking back some of its unwanted stocks. In addition he should see to it that ADE's source companies give it

the right to export its overstocks of engines and components into some of the... markets. Despite the magnitude of its overstocks in local terms they would hardly be noticed in world markets even during the current recession.

Motor men agree that ADE is one of the most modern plants in the world and that the quality of its engines cannot be faulted. But like so many apparent panaceas this technological masterpiece is not only costly but counterproductive in fighting the threat of SA's commercial isolation.

Government is now coming more to the view that the best way to face this problem is to promote international trade and build up links rather than retreat into a saager of a quasi self-sufficiency.

The absurdity of the protectionist argument is illustrated by the fact that in spite of ADE SA diesel engine supplies will still be vulnerable to boycotts. This is because ADE will, for the foreseeable future continue to import components such as turbochargers and fuel injection equipment.

As representatives of the maize producers recently pointed out to government if enemies of the country are able to cut off its supplies of tractors with diesel engines they will have no trouble in denying it tractors without diesel engines.

(192) #6

SA-built Ford does well in UK

E. Post 19/2/83

EXPORTS of home-grown bakkies by Ford (SA) to the United Kingdom have proved a phenomenal success. Figures released this week by Ford show that though the South Africa designed and built one-ton pick-up truck sold for only half the year, it earned top spot in the market place and in the process outsold the combined totals of second-placed Mazda and third-placed Datsun.

Our table (below), tells the full story.

	Ford P100 R6 913	Mazda 1800 R6 458	Datsun 720 R6 014	Peugeot 504 R6 495
Sales (total No of units and percentage share of market)				
June	34 (9,7%)	57 (16,2%)	103 (29,3%)	115 (32,8%)
July	245 (61,7%)	29 (7,3%)	61 (15,3%)	44 (11,1%)
August	1 105 (64,1%)	179 (10,4%)	154 (8,9%)	209 (12,1%)
September	614 (59,0%)	178 (17,1%)	75 (7,2%)	80 (7,7%)
October	497 (56,9%)	143 (16,4%)	100 (11,5%)	35 (4,0%)
November	657 (60,3%)	86 (7,9%)	117 (10,7%)	103 (9,4%)
December	338 (56,3%)	34 (5,7%)	55 (9,2%)	123 (20,5%)
Total for year	3490 (39,6%)	1493 (16,9%)	1323 (15,0%)	1313 (14,9%)

5 1 mme ~~Federal~~ ~~1981~~ ~~1982~~ ~~1983~~

Giant Fedmech has laid off hundreds

By Elizabeth Rouse 20/2/83 sector ~~1981~~ ~~1982~~ ~~1983~~

SOUTH Africa's largest manufacturer of farm machinery, Fedmech, retrenched hundreds of employees this month, and factory operations have been scaled down substantially

Group managing director Dr Leon Knoll told Business Times "We have done our best, through early retirement and generous separation pay policies, to soften the blow for these employees"

This is the latest step taken by Fedmech, whose Massey-Ferguson tractors were market leaders last year to ride out the severest-ever decline in farm machinery sales

Dr Knoll says "As is by now well known, the recent rapid economic downturn has impacted particularly seriously on the agricultural

"This has been compounded by the fact that summer crops have now been ravaged by drought for two consecutive years"

Masferg sales dropped from 6 087 units in 1981 to 2 310 units in 1982

The tractor achieved a 22.6% share of 1982's total market of 10 822 units, which showed a massive 59% decline on 1981's record sales of 28 862 tractors

Prospects are dismal "Our organisation is now structured to match the low level of market demand we foresee continuing well into 1984" says Dr Knoll

He was prescient about the sad state of the tractor market, warning in March last year that sales would be down by 50%

Tractor ¹⁹⁷ challenge ^{2/2/83} by maize farmers

Financial Correspondent

PRETORIA — Maize farmers have issued a multimillion rand challenge to the government's policy of protecting the tractor industry.

At a conference in Bothaville on Friday, the chairman of the Maize Board, Mr Crawford von Abo, showed three Fiat model tractors imported with private funds from Rumania and manufactured at the State-owned Brasov Tractor Factory.

Mr von Abo said nobody cared who bought South Africa's wool or export maize. Some of South Africa's best maize customers also had agricultural implements to sell, making it possible to get an excellent price for maize by organising a barter deal.

"Why should we care where the implements come from? The maize farmer is in a desperate position and must claw at every opportunity to remain solvent," he said.

Landed costs before import duty for a model 640 45-kW two-wheeled tractor was R6 220. With R2 488 duty it landed for R8 708.

The equivalent South African model 640 carried a cost of R18 300, Mr von Abo said. The world-market related tractor represented a saving of nearly R10 000. Similar savings were possible in the case of the two other tractors shown.

Mr von Abo said that the three tractors had not been bartered but did show what could be done. The Maize Board's selling policy, including the barter deals, clearly had merit.

Agricultural economists said that with an annual market of about 10 000 tractors the Government's protection policy had now been shown to add a total of R100 million to the annual cost of maize and other farm products — a bill ultimately paid by the consumer.

After the Bothaville demonstration, they said, it would be more difficult for the Minister of Industries, Commerce and Tourism, Dr David de Villiers, to carry on with his high-cost policy.

206 car plant ~~men~~ men ¹⁹⁷ lose ^{KUPA} jobs ^{E-Post} ^{24/2/83}

Post Reporter

THE Volkswagen plant in Uitenhage today laid off 206 workers as a result of the current slump in the economy

VW's Press Relations Manager, Mr Graham Hardy, said the workers were retrenched because of the current economic situation and its effect on the vehicle market

"Every effort has been made to minimise the number of people affected by the lay-off by reducing the work week to four days and by reducing working hours," he said

"However, the car market is at its lowest level for three years and production volumes have to be adjusted accordingly"

Those laid off would be given preference when demand improved and production increased

"We are confident that the upturn will not be too long in coming, but in the meantime it is essential that the cost to the customer be contained and that our market share improves further," he said

General Motors said it did not have retrenchment plans

Ford's public affairs manager, Mr Phaldie Kalam, said the company did not plan lay-offs, but would review production patterns

The regional secretary of the National Automobile and Allied Workers' Union (Naawu), Mr Les Kettledas, said the union's management had on-going negotiations at which Naawu representatives had suggested alternatives to lay-offs

A spokesman for the SA Iron, Steel and Allied Industries Union said the difficulty of VW's position was understood and the union could see no alternatives to lay-offs at this point

By SIMON WILLSON

THE STRATEGIC decision to manufacture all diesel engine requirements in South Africa had led to cost pressures far beyond the rate of inflation, said Mr Colin Adcock, managing director of Toyota SA, yesterday.

In a speech read on his be-

ADE adds 30% to truck price

half at the opening of premises for engine reconditioners National Machinery Supplies in Germiston, Mr Adcock said the engines made by Atlantis Diesel Engines (ADE)

had caused a 30% average increase in the price of heavy trucks

"Major users of heavy trucks will, therefore, be seeking to renew their en-

gines when the normal first life cycle has been completed. I anticipate that engine rebuilding, already a major industry in the country, will become even more important in the years that lie ahead," Mr Adcock said.

National Machinery's managing director, Mr Glenn Cartwright, agreed that the higher costs of ADE engines had influenced his company's decision to increase investment in automotive retooling.

Sigma gears

up again

Lay-offs cut, revival forecast

By SIMON WILLSON
Industrial Editor

SIGMA Motor Corporation is laying off fewer than half the number workers it expected to make idle and will be back on full-time working after five days in-

It also expects to be able to rehire in the second quarter of this year some of the workers retrenched last November

Company forecasts predict a revival in car demand by April

A meeting at Sigma's head office near Pretoria yesterday was told that the original target of 700 lay-offs for 10 days beginning yesterday was unnecessarily high

"We were able to get some new production processes into operation more quickly than we expected," said the personnel director, Mr Mof Lemmer. There had been no fresh opposition to the lay-offs from the National Automobile and Allied Workers' Union, which had been consulted about the measures

Only about 250 workers would be idle this week, and they would be back at work from next Monday, Mr Lemmer said

Two sections — part of the body shop and back-up material handling functions — would be affected instead of

the seven sections originally threatened

Sigma's announcement of lay-offs last week and in November last year when 371 workers were retrenched


The company last laid off assembly-line staff in 1978 during the last cyclical economic downswing

Since the beginning of last year, the South African motor industry has laid off more than 2 000 workers

Mr Lemmer said "This lay-off is also a cyclical measure that goes with the motor market. We have had to slow down the assembly line to match the demand trend

"But in March or April we expect demand and output to increase and then we could take on some of the people who were retrenched last November"

Sigma has conceded that it is likely to incur a loss this financial year. The chairman, Mr Chris Griffith, has attributed this to foreign-exchange losses caused by the falling rand



THE first Yale forklift unit is delivered to Mr Joe Coetsee (seated) of the Wool Board by Mr Keith Dent of the South African LancerBoss organisation

Forklift firms join forces

Merrim 22/2/83
Shipping Reporter

YALE, one of the most respected names in forklift trucks, has joined forces in South Africa with LancerBoss, the British range with an established reputation for upmarket trucks in the larger classes

The company now marketing these forklift trucks in the Republic is LancerBoss Yale (Pty) Ltd and, according to Durban manager, Mr Keith Dent, it now markets one of the most extensive ranges of forklifts ever offered to shipping and other industries

'LancerBoss has always had an exceptionally good name for producing large forklifts which have been well received in various container depots,' he said

'Yale, manufacturers of the world's first forklift truck in 1930, is generally regarded as one of the finest small forklifts available

'Together with the LancerBoss models at one end of the scale and Yale's at the other, we have the local market well covered,' Mr Dent added

The front-end forklifts in the four-to-42 ton capacities are widely used in the handling of containers while side-loading models have been well received in other areas of cargo handling. Both types are diesel-powered

Yale, part of the giant American Eaton Corporation, have gas, petrol and diesel-powered models available

'We have already delivered our first Yale unit, a GLPO40 gas model, to the Wool Board,' Mr Dent said

LancerBoss, one of the main manufacturers of forklifts in England, was the first forklift manufacturer to win the coveted British Design Council award

Yale forklifts are as-

sembled in Johannesburg from Japanese and South African components. The mast, chassis and counterweight are some parts which form 60 percent of the local content.

Motor industry faces 30% profit drop

192

~~7/11~~

23/2/83

PRETORIA — The South African motor industry faced a drop of 30% in net pre-tax profits this year as a result of the recession, the chairman of the Datsun Nissan Motor Dealers' Association, Mr Martin Jonker, said yesterday.

He said the trade income of the motor industry was expected to increase by only 1% this year, and the profit prospects for next year were also not "too favourable".

Indications were that only slightly more than 250 000 motor vehicles would be sold this year, with a possible 15% increase for next year.

"As regards commercial vehicles, approximately 115 000 new units will be sold this year with an expected growth in sales of approximately 10 000 units next year."

A total of 283 000 new passenger vehicles and almost 143 000 new commercial vehicles were sold last year.

Mr Jonker said political events were also affecting the general economy and the motor industry.

"The proposals of the President's Council on a new constitutional dispensation have already brought about

important shifts in emphasis in politics and this, in turn, will inevitably affect the economic activities in the country, as constructive constitutional change will enable all population groups to participate to a greater extent in the wide marketing system."

Mr Jonker said the possibilities of exporting vehicles to Europe and African states were not favourable and it was obvious South Africa would have to concentrate on internal growth.

Blacks, he said, had become important consumers in new vehicle purchases. Black, coloured and Indian buyers were already responsible for purchasing 15% of all new vehicles and 50% of all mini-buses on the South African market.

"If the income of the non-white groups continues to rise at the present rate, by 1990 they will be responsible for approximately 20% of all new vehicle sales and, by the end of the century, this figure will be between 40 and 50%."

"In view of this, purposeful attention should, especially be given to granting hire-purchase financing to blacks, without neglecting present clients" — Sapa

Engine duty traps truck assemblers

192 ~~218~~
Industrial Week 23/2/83

Staff Reporter

TROUBLED commercial vehicle manufacturers have until next Monday to decide how they are going to dispose of the estimated 8 000 engines they have imported which have to be cleared from assembly plants to escape excise duties.

The duties come into effect from March 1 and could add up to R20 000 on the price of their vehicles

Assemblers will be carrying a minimum 8 000 unwanted vehicles, loaded with about R120-million in excise duties, if

the vehicles are used

The trucks will be unsaleable, and some plants may close because of the excess stocks they hold

A game of cat and mouse is taking shape, but the options for truck manufacturers are narrowing

One source inside the industry told Industrial Week: "If assembly plants cannot build in these engines before the end of the month they will be caught by the excise of 30%, payable on the wholesale price of a chassis cab containing an imported engine

Unfair

"Nobody will be able to sell trucks with that kind of premium, and the Board of Trade is not sympathetic to rebates since these are unfair to those who stayed with local engines, instead of imports

"They may have to re-export the engines to the source plants, which is costly because they are often adapted to South African needs

"The second option is to strip them and put the bits and pieces into spares stock

"Some assemblers feel that they will be able to recycle the engines as replacement rebuilds, even though they are new

"But the Board of Trade is clear on this, too

"Not only is a duty payable on imported engines, but there is still the 30% excise duty to be paid on the truck to which it is subsequently fitted, even though it might not be new

"It is extremely doubtful whether imported engines will be able to be passed off in this way," said the source

The entire industry, with the exception of possibly one assembler, is painted into a corner

Sigma stuns workers with slow down order

(1972) (3/7/83) Industrial week 27/3/83

IN a shock move last week Sigma Motor Corporation told workers that a temporary slow down of production over the four-week period from February 21 to March 10 was to come into effect immediately

A spokesman for the company said the move was essential to correct stock imbalances in passenger vehicle ranges

Sigma MD Spencer Sterling, said the company had consulted the National Automotive Workers' Union on the issue

He said some of the 700 workers at Sigma Park would be laid off but production had been planned so that no worker would be laid off

for more than 10 working days

In terms of the provisions of Sigma's supplementary unemployment benefit fund this means workers will receive 70% of their normal weekly wages

The company is expected to resume normal

Opel sales rocket

OPEL AG says advanced engineering linked to high standards in vehicle design has increased its European market share to more than 9% in 1982. In the UK Opel sales rocketed to 43.6% more than in 1981

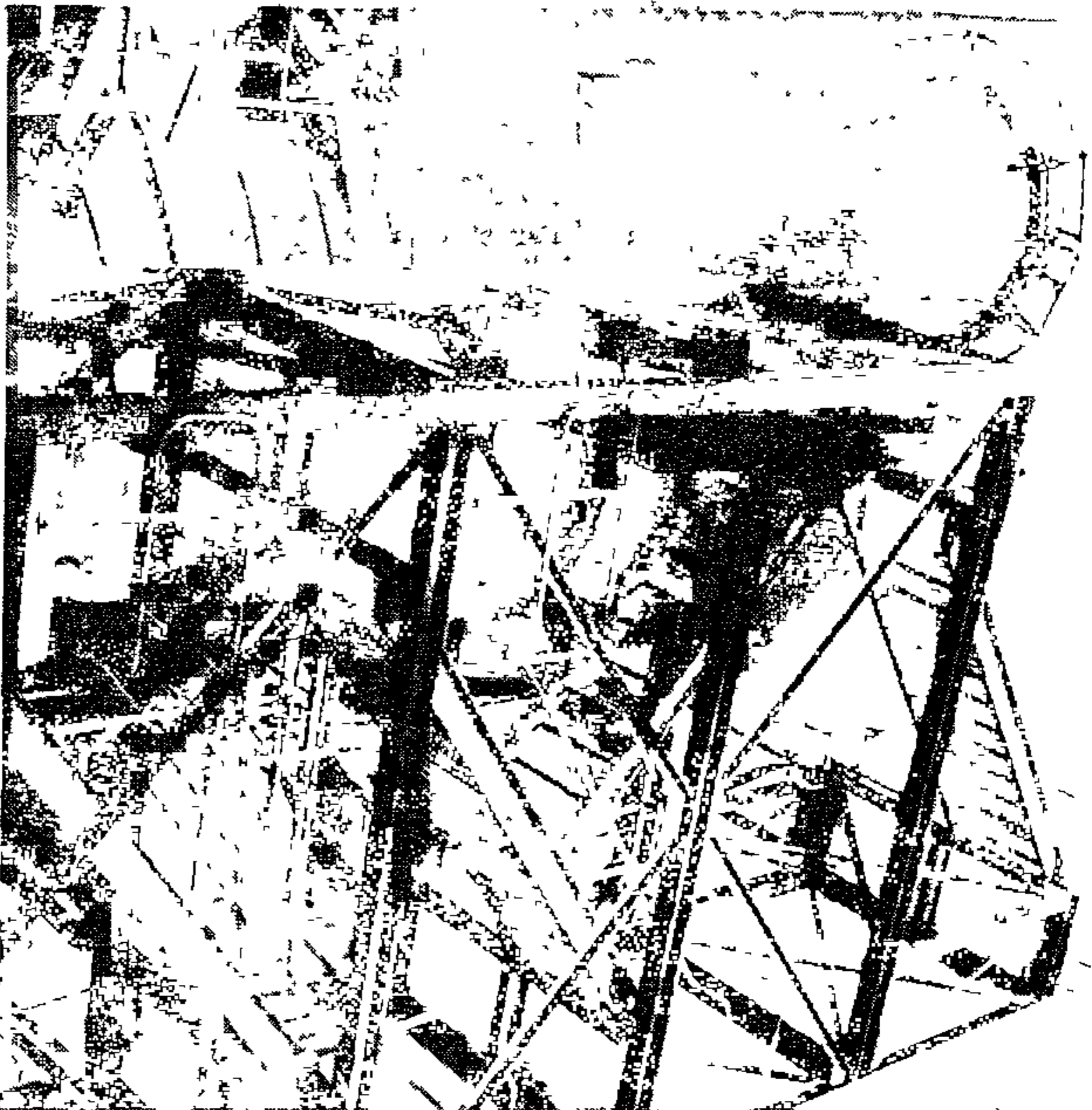
production to prepare for the introduction of new models after March 10

Workers retrenched last November are also expected to be re-engaged under the new forward looking planning

The temporary lay off is said to be one of the measures being taken to restore Sigma to profitability

Sterling said that by recognising the need to make short-term sacrifices in order to achieve long term objectives, Sigma could take advantage of the anticipated upswing in 1984

"Some of the medicine we will have to take over the next few months will be bitter but nonetheless necessary" he said



Philips' R5-million conversion plant which turns previously wasted off-gas into productive fuel at the rate of an equivalent 3.5 tons of coal per hour.

Willard rakes in 130% more from exports

~~#83~~ 192 E. Post

Feb. 1983

WILLARD BATTERIES (Pty) Ltd, winner of last year's Evening Post Export Award, rebounded into the export market this year with a 130% increase in foreign earnings.

Addressing a luncheon meeting of the Exporters Club at the St George's Club yesterday, Willard's director (industrial division), Mr. "Sakrie" Filmalter, revealed that battery exports from the PE factory boomed — despite the

downturn in world trade

"And we are setting even more ambitious targets for the new corporate year which will end in February, 1984, because, since becoming a wholly-owned South African company we are freer to compete internationally than was previously the case."

Major reasons for Willard's success in the African, South American and Eastern markets, Mr. Filmalter said, included price, quality and delivery times.

"As far as price is concerned the declining rand/dollar exchange rate enabled us to compete with United States products on the South American market, and allowed us to penetrate the Taiwanese market in direct competition



By Louis Beckerling
Business Editor

with Japanese products." An optimistic Mr. Filmalter believes Willard will maintain and increase its presence in these markets

even though the favourable exchange rate no longer applies, and bases this assessment on the fact that Willard has employed the opportunity to establish a reputation in the markets for a quality product and, of major importance, quick deliveries.

"If you undertake to ship ex-factory in four weeks then you must meet your commitment," emphasised Mr. Filmalter.

Mr. Filmalter told exporters attending the luncheon that the successful exporter should meet several basic requirements.

- "Watch credit lines and make use of facilities which enjoy the backing of the Government, such as the IDC
- "Beware of those coun-

tries which are financially risky — such as Bolivia

- "Sign up reliable and reputable agents who will know the country with which you are dealing better than you

- "Operate ethically. If 'facilitating' payments — bribes — are in vogue, leave it to your agent. Do not subsidise such payments. If your agent wishes to pay, it must come out of his commission

"Make use of the commercial attaches in SA Embassies around the world"

Willard's export income now exceeded R1 million and since 1978 had shown annual growth rates of 138.9%, 57.6%, 120.2%, 55.8%, and 129.7% (to February this year)

ARGUS 24/2/83

192

E Cape car plant lays off 200 workers

Argus Bureau
PORT ELIZABETH — Volkswagen South Africa was to lay off 206 employees today at its Uitenhage plant, continuing a pattern of regular retrenchments in the Eastern Cape motor industry in recent months because of the economic slump

The company announced that "a total of

206 people are to be retrenched today as a result of the current economic situation and its effect on the vehicle market"

Every effort had been made to limit the numbers affected by the lay-off by reducing the working week to four days and by reducing working hours

The car market was at its lowest for three years and production had to be adjusted accordingly

"Those laid off will be given preference when demand and production improves" the company said

"We are confident that the upturn will not be too long in coming, but in the

meantime it is essential that the cost to the customer be contained and that our market share improves further"

It has been learnt that the lay-offs were being discussed with unions this morning, and that employees affected were of all races, both salaried and hourly paid

5 variation

Wagon
1

Volkswagen lays off 206

Star By Tony Davis, Labour Reporter

The huge Volkswagen assembly plant in Uitenhage this week laid off 206 workers because of the slump in the industry

Several thousand workers at car plants in the Eastern Cape and Pretoria area have been retrenched over the past year as a result of the recession

Company spokesmen said Volkswagen had been operating on a four-day week since last month and would probably continue to do so

Auto industry firms have resorted to shorter work weeks, no overtime and no weekend production to cope with the recession. Firms such as Sigma have taken to temporary lay-offs of workers to offset flagging sales

TALKS WITH UNION

The latest retrenchments at Volkswagen follow talks between the company and officials of the Fosa-tu-affiliated National Automobile and Allied Workers' Union (Naawu)

A Naawu spokesman said Volkswagen had originally intended to retrench about 900 workers but the talks had resulted in the company's finding alternative measures

A statement released by Volkswagen said the company was attempting to minimise the number of workers affected by sticking to the shorter work week and reducing regular working hours

It was hoped that in the event of an upturn in the industry retrenched workers could be taken on again, the statement said

27/2/82 - City Press

Car union seeks sacked workers

192 143 By Z B MOLEFE 167

PRETORIA — Datsun car plant here sacked 100 workers "because there were no jobs because of the recession", then replaced them all the next day.

Now the United Motor and Allied Workers' Union is looking for the sacked workers to gather evidence against Datsun. The union plans taking Datsun management to the Industrial Court.

Most of the retrenched workers were union members, and, says union secretary Dora Nowatha, union lawyers have only tracked down 10 so far.

S. Times 27/2/83

Toyota slams SA local content

By Vera Beljakova

JAPAN'S motoring giant, Toyota, is critical of South Africa's severe — by international standards — local-content programme imposed on local car manufacturers

Toyota and Hino, Japan's leading automotive and truck companies, have warned South Africa not to overdo it

This message came from Toyota's executive vice-president, Hiroyasu Ono, who says that "anything higher than the present 66% for passenger cars and light commercial vehicles could eventually become counter-productive for the local industry as a whole"

"This is already a tough requirement, even by world

standards. Anything higher will not promote local industry, when considering such aspects as increased costs that aren't necessarily in the best interest of the consumer"

Commenting on the introduction in South Africa of the locally manufactured diesel engines and transmissions for trucks, Mr Ono says

"The negative aspect of this programme is the possible denial to South Africa of certain technological developments such as Hino had achieved with its new generation of highly fuel-efficient diesel engines"

Hino, Toyota's associate company, which leads the Japanese diesel truck and

bus industry, has meanwhile devoted 18 000 man hours to meet the SA local-content programme's new requirements

"Today the emphasis is on fuel efficiency, and in Japan we are doing a lot of research into alternative fuels such as hydrogen, gas-turbine and battery powered cars, even though we believe that the petrol engine will still be with us for some years to come

"Fuel efficiency is also having a marked impact on car styling coupled with the need for high performance. Stylists have had to meet these two requirements as a priority by improving aerodynamics and achieving

weight reductions"

Although the world car market is currently depressed, it is still running at about 40-million units annually and is expected to achieve 50-million units in the next few years

The potential growth areas are in the Third World Africa (including South Africa), south-east Asia and the Middle East

Meanwhile, South Africa has emerged as a significant manufacturer and marketing entity in the arena of the international motor industry, says Toyota, whose largest overseas production facility is the 100% SA owned and run Toyota plant in Durban

[Handwritten notes and scribbles on the page, including the words "DETENTION" and "SAP/PLC" written upside down.]

NEWS

Giant piston factory opens

THE largest automotive piston factory in Africa was officially opened last week by Dr Dawie de Villiers, Minister of Industries, Commerce and Tourism

Karl Schmidt SA recently completed a R6-million expansion programme on its aluminium automotive piston plant at Alrode, Johannesburg

A subsidiary of Karl Schmidt GMBH, the company will initially increase its production capacity by 50% from 1 million pistons a year to 1,5 million

This will enable it to increase its annual group turnover from the present R20-million to R30 million a year in 1985

Karl Schmidt SA provides Kolbenschmidt original equipment pistons to every major motor manufacturer in SA, that assembles engines locally, in addition to a R3,3-million a year contract with Atlantis Diesel Engines (ADE)

"This can be seen as an invitation from us to the South African motor industry at large, to go confidently into increased local content", said chairman Casimir Prince Wittgenstein

"We are utilising the current recession - even though it has delayed a number of our important projects - as a training period for the 'Big Match', and our newly-introduced, sophisticated manufacturing technologies will ready Karl Schmidt for future ADE challenges, new original equipment contracts and the next phase of the local content programme", he said

The expansion programme affects every section of the factory, from the foundry, gudgeon pin plant and heat treatment section through to the machining facility

About R4 million of the total budget was allocated for the acquisition of the new plant and machinery, while the R2-million balance will provide additional buildings

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2/3/83

Industrial Week

Ford will
continue (192)

4-day week
2. Post 2/3/83

THE Ford motor company in Port Elizabeth is to maintain the four-day week that it has been working most of this year at its Neave and Truck plants

A spokesman said the situation was likely to be reviewed later this month

General Motors is to remain on a four-day week which it began in October, and Volkswagen is working a shorter week as well as shorter working hours

A VW spokesman said a seven-hour shift had been in operation — and in some areas an even shorter shift — for most of this year.

SA content plan under scrutiny

(7/11/82) Industrial Week
2/3/83

Staff Reporter

SA's local content programme for passenger vehicles, and recently extended into a highly contentious commercial vehicle market, enters its 21st year with a number of doubts surrounding its future.

The National Association of Automobile Manufacturers of SA (Naamsa) is preparing a set of recommendations which might advocate a reduction in local content from the present 66% for passenger vehicles, and a total dismantling of the monopoly surrounding the production of diesel engines (Atlantis Diesel Engines), gearboxes and axles (Associated Transmissions and Steerings)

The National Association of Automobile Component Manufacturers (Naacam) is conducting a parallel investigation, which is expected to be completed by about September

Naacam and Naamsa will then compare notes and decide what common ground there is if any, for a joint approach to the Board of Trade

It is believed that

Naacam advocates an increase in local content around 75% whereas Naamsa is inclined to stick at the current 66%

Rod Ironside, acting chief executive of General Motors, and vice chairman of the Passenger Car division of Naamsa, told Industrial Week "Taking the last few years of the local content programme I think that the Government has been well wide of the mark

"It has been too ambitious and there are indications that it is attempting to consolidate the situation in too much of a hurry, without paying due regard to the wider consequences

"There are certain components of a car or a truck that are never going to be made in this country

unless volumes increase by a factor of 10 or 15"

He added that "The economics just don't work out and we have to depend on overseas technology for much of what we plan for the future

"We cannot cut ourselves off There is a case for consolidation of the resources in the country

"One cannot fault the original premise of broadening secondary industry But the repercussions of pursuing strategic requirements have gone overboard"

"I believe that the industry has been imposed upon to a large degree by unnecessarily high costs, particularly in the area of the ADE engine where there is the high cost of the engine itself, and the imposition of the tax penalty on trucks, which is out of all proportion to what it should be," said Ironside

WARNING ON CAR IMPORTS

1974
1972

THE recent decision by Government to abolish import control on new passenger vehicles could have disastrous consequences for prospective buyers of foreign cars according to the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers.

Speaking at the opening of a R6-million extension to the Karl Schmidt piston plant at Alrode last week, the Minister appealed to the motoring public to be on "the alert for

possible pitfalls" when purchasing imported vehicles

He said whilst the import control regulations concerned still had to be amended it had now be-

come a "mere formality" to obtain such permits

"It is Government policy to apply the Customs Tariff as the prime instrument for promoting local industrial development

"Industry should therefore not rely on quantitative import restrictions as a means of protection

"As far as the motor industry is concerned the existing tariff structure is considered adequate to

Staff Reporter

2/3/83

sufficiently protect the industry

"This is why Government decided to abolish import control on new passenger cars as well as on new light and heavy commercial vehicles," he said

Sounding a word of caution the Minister said some vehicles imported are not suitable for local conditions

The most common complaint has been that importers would not assume responsibility for ensuring adequate after sales service and the availability of spare parts

"Importers have not always ensured that vehicles were adjusted to fully comply with local road traffic legislation in respect of retro-reflectors seat belts, headlights braking systems, wind screen glass and exhaust emission

"One cannot have the

best of both worlds and since the vehicle manufacturers, the dealers and the individual are now free to import the vehicle of their choice, I appeal to the public to be on the alert," said the Minister

Speaking on foreign investment in SA De Villiers said it was heartening to note that the decision to expand facilities at Karl Schmidt had been taken during a recession

"We are grateful to those manufacturers and countries, such as West Germany, who are prepared to enter into franchise agreements with local manufacturers and assist in the development and growth of our industries

"Without their technical know-how our motor manufacturing industries would probably still have been in a much earlier stage of development

"On the other hand, the franchising countries have benefited from the income derived which last year amounted to some R200-million of which a large portion was remitted to countries in Western Europe

"These and other trade statistics prove that the Western world can derive great benefit in cooperating with SA in the economic and technical fields," said the Minister

• See Page 3



Dr Dawie de Villiers (right) Minister of Industries, Commerce and Tourism discusses the Government's decision to abolish import control on new passenger cars with Industrial Week's Editor, Mick Collins.

Top news events

- TCl condemns postal hikes P2
- Employment prospects plummet P3
- Letters to the Editor P4

Local content accent may fall on engines

By SIMON WILLSON
Industrial Editor

BY THE mid-1980s motor manufacturers will probably revert to using engines as the main component satisfying the local content regulations.

This change of direction in the motor industry was forecast this week by the managing director of Toyota SA, Mr Colin Adcock

For the past 10 years, he said, South African car-makers had looked for their 66% minimum local content weight in other areas, particularly body pressings

He believed that manufacturers stopped using engines as their local content anchors when petrol rose sharply in price in the mid-1970s

"The world's fuel crisis changed attitudes in this regard simply because all motor manufacturers began major new engine design programmes in the mid-1970s

"We have, as a result, seen

the regular introduction of lighter and far more fuel-efficient internal combustion engines"

To keep pace with the new overseas developments in fuel-efficient engine technology, South African manufacturers switched their local content emphasis from domestically produced engines

To compensate for the inclusion of the new, foreign-made fuel-efficient engines, manufacturers built up to the local content requirement of 66% of vehicle weight by concentrating on SA-made bodyshells.

But now that the petrol price has peaked, however temporarily, added weight has been lent to Mr Adcock's contention that most of the new domestic and overseas design work on engines will have been completed within the next two years

As the average car engine has a life of more than 10 years against the five years or less of a bodyshell, the manufacturers' incentive for the switch back to engines as

local content anchors is clear

Mr Adcock identified another by-product of the cheaper fuel prices announced this week, increased demand for reconditioning of engines

Reconditioning demand fell when manufacturers abandoned engines as local content anchors in their cars

"I believe that, should the motor industry revert to manufacturing more engines in the country than is currently the case, this will again accelerate the need for engine rebuilding services," Mr Adcock said

●In another indication of the slack national car market, motor-vehicle retailers' trading revenue fell in the three months to the end of January.

Figures released by the Central Statistical Services in Pretoria show that retailers' revenue slipped 1.8% between November 1982 and January 1983 to R2 177 800 from R2 217 300 over the same period 12 months earlier

Unions attack Tswana ban bid

By STEVEN FRIEDMAN
Labour Correspondent

AN IMPENDING law to prevent all South African trade unions from operating in Bophuthatswana has serious consequences for at least two emerging unions, unionists said yesterday.

And one unionist said this could bring workers in Bophuthatswana into conflict with the authorities.

One union, the Food and Canning Workers' Union, already has majority membership at a Bophuthatswana

factory. The other, Fosatu's National Automobile and Allied Workers' Union, has been organising workers in Rosslyn, near Bophuthatswana.

A NAAWU spokesman said yesterday that one motor company, BMW, had a plant in Bophuthatswana and added that there were signs that other Rosslyn employers were contemplating opening plants across the border.

The Bophuthatswana move had "serious policy implications" for NAAWU, he said.

Mr Rowan Cronje, Minister of Manpower in Bophuthatswana, said in an interview reported yesterday that he planned an Industrial Conciliation Act which would grant workers in Bophuthatswana limited union rights. But, according to Mr Cronje, the law would bar South African-based unions from Bophuthatswana. He added, however, that workers living in the territory and working in South Africa would be allowed to join South African unions.

This affects Pretoria workers, many of whom live in the Ga-Rankuwa township, which is in Bophuthatswana. Both NAAWU and the Metal and Allied Workers' Union have members in Bophuthatswana. A representative of the Food and Canning Workers' Union confirmed yesterday the union had recruited a worker majority at a bakery in Bophuthatswana.

It was owned by a major food company which, she said, appeared to be delaying a union recognition decision. "Any move to bar us would be a problem. But workers there were organised by their fellow-workers, not union officials, and it is difficult to see how the authorities are going to stop this without creating conflict," she added.

A NAAWU spokesman said that, while the planned law seemed not to affect union members who worked in Pretoria, it posed a threat to future organising plans. "We would obviously want to organise the BMW plant in Bophuthatswana, as well as those employers who are planning to move there from Rosslyn," he said.

Sigma to base all truck ¹⁹² ^{3/3/83} building in PE ^{Post}

By LOUIS BECKERLING
Business Editor

SIGMA Motor Corporation announced in Port Elizabeth today that it will be relocating the assembly of its two and three-ton Mazda and three-ton Mitsubishi Canter light trucks to Port Elizabeth.

This means Sigma will centralise all its light, medium and heavy-duty commercial assemblies in Port Elizabeth — and boost current output of between three and four trucks a day from its Markman Township plant, to about 20 a day.

The relocation begins tomorrow and Sigma has already begun recruiting for around 150 new jobs. The first trucks are expected off the production line within a month.

The decision — the first major realignment of Sigma's operations since Mr Spencer Stirling was appointed managing director of the Anglo American subsidiary — reverses earlier company policy.

Until today's announcement, Sigma's medium and heavy-duty assembly took place in Pretoria, after these divisions were moved from Cape Town.

"The move to Port Elizabeth makes total sense," said Mr Jim Knight, general manager of Sigma's truck and bus division. "Upgrading of the assembly plant in the Markman industrial area will commence immediately to accommodate the higher production volumes."

The conflict over content

Motor vehicle builders are on a collision course with manufacturers of motor components on the new local content levels for cars and light commercial vehicles to be announced by government next year

The National Association of Automotive Components and Allied Manufacturers (Naacam) wants the present level of 66% local content by mass be pushed up to about 75% to improve returns on its R3 000m investments. Such an increase would also do wonders for component sales during the current depressed market situation and give them a far bigger base from which to grow when demand picks up again.

On the grounds of cost, the National Association of Automobile Manufacturers of SA (Naamsa) wants the requirements to be reduced, or at least remain where they are, until market growth provides better economies of scale.

Both bodies will soon complete separate detailed studies on the matter (Naacam has commissioned PE Consulting for the job). They will then meet in an attempt to hammer out a compromise local content plan for approval by the Board of Trade and Industries (BTI).

Government

"If Naacam and Naamsa are able to make a joint approach to government, it would be the first time ever in the industry's history," says Naacam director Bill Hayward.

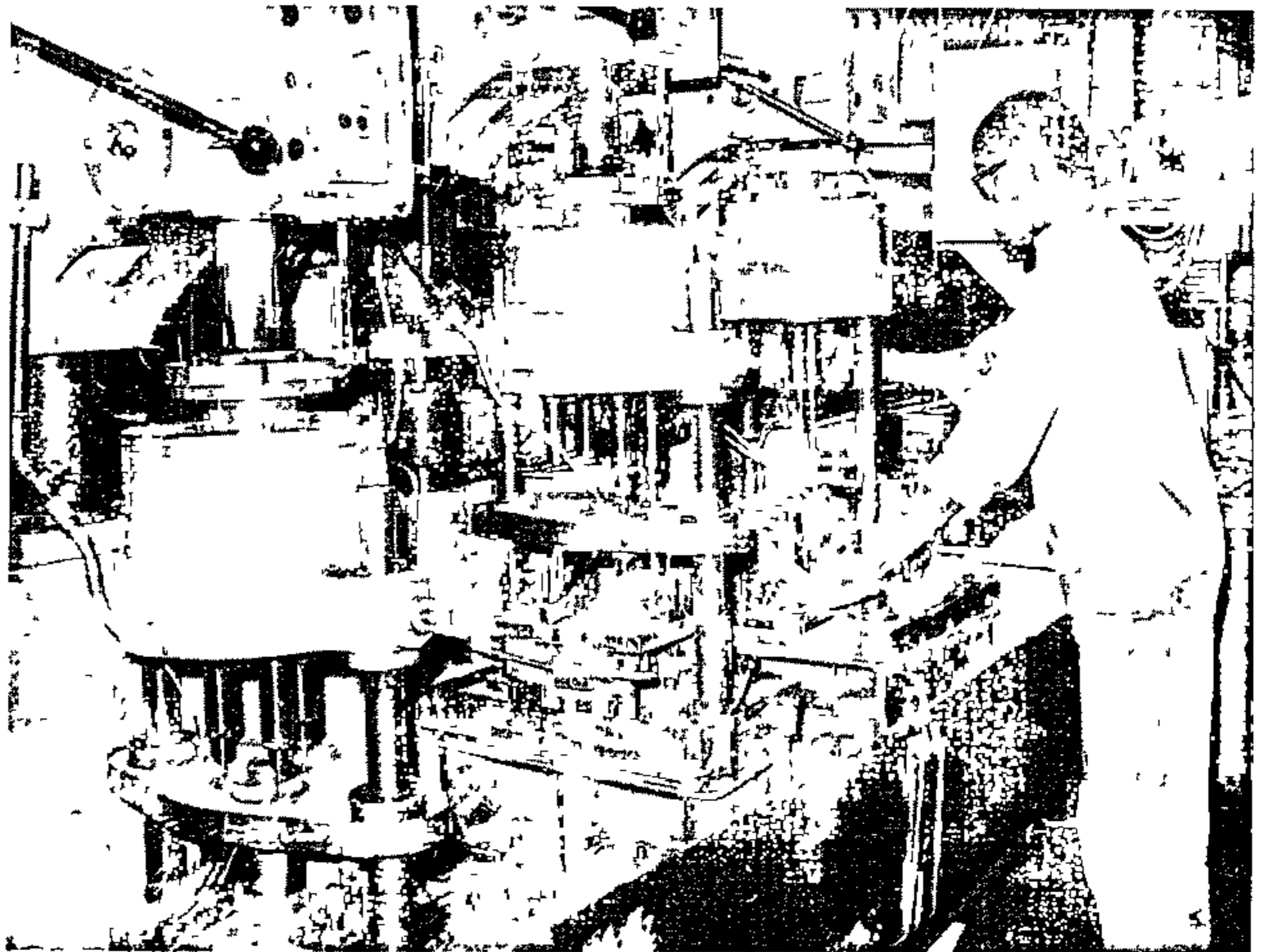
Both parties are hoping it will be possible, because in the absence of a mutually acceptable plan government is likely to impose a plan of its own which should satisfy neither.

The crux of Naacam's dissatisfaction with the current 66% local content by mass is that this represents only 35% of the cost of a vehicle.

"We must also take cognisance of changes in technology," says Hayward. "Vehicles are becoming lighter because of reinforced plastics and synthetic materials. Whether we can change over from a mass formula to one based on value at this stage is difficult to say. But Naacam has over 250 members in the heavy investment areas and we must know where we are going for the future."

Certain sectors of the components industry can handle a three-fold growth in vehicle production, whereas others are working at full capacity. The component industry as a whole is working at about 66%.

Rod Ironside, vice-chairman of the passenger car division of Naamsa, says "It may be that the practical level of local con-



SA engine plant .. boosting local content

tent is below 66%, because of the large investments necessary for the production of sophisticated components, and because these components are in any case small and contribute little to the existing mass formula.

"Another problem is that the heaviest component in the car is the engine and many manufacturers are reluctant to invest in engine plants because we do not know what kind of power plant we will be using in 1990."

Says Naamsa executive director Nico Vermeulen "Higher local content levels will add very few new jobs, most of which will be for skilled personnel we would have to recruit overseas."

"And each further increase to local content becomes increasingly capital intensive and expensive. It would also increase SA's vulnerability to economic sanctions. Imported content provides employment for people in source countries, jobs which are very important in the light of their high unemployment."

R55m Sigma loss

SIGMA Motor Corporation lost R55-million in 1982.

This unhappy announcement was made last night by the chairman, Mr Chris Griffith

He also disclosed that the controlling shareholders — Anglo American Corporation (AAC) and Anglo American Industrial Corporation (Amic) — had agreed to a major refinancing plan for Sigma

Mr Griffith said that Chrysler of the United States would receive R16 500 000 for the sale, reported in January, of its 25% stake in Sigma to the two Anglo companies

AAC and Amic will each hold 50% of Sigma after the deal is completed

Mr Griffith said the Sigma loss in 1982 was caused mainly by "major difficulties arising from exchange-rate fluctuations which impacted seriously on the cost of imported content and also on uncovered dollar loans".

"Those two items resulted

in losses of the order of R40-million

"The balance of losses of R15-million resulted from the deterioration in trading conditions and the high interest burden and brought the total loss to the year to R55-million"

Mr Griffith said, "Anglo American and Amic have confirmed that they are now in a position to proceed with the refinancing of the company, which has been the subject of unresolved discussions between the shareholders for the past two years

"It has been recognised that the company was over-gearred and that new equity should be provided

"The exact quantum (how much, in simple English) of the additional equity will be determined when the company's budget and forward estimates are completed towards the end of this month"

Looking to the prospects

of recovery from last year's disaster Mr Griffith said: "Sigma's new plant, completed during 1982, now has a capacity of 800 units a day, single shift.

"The new management is confident the plant can be operated at high efficiency to handle the company's current production range which will also be broadened during 1983 by the introduction of two new car lines together with additional light commercial vehicles

"In 1984 it is anticipated that the company will expand its range of heavy commercial vehicles

"It is also probable that additional passenger and light commercial products will be introduced late in 1984 and subsequent years to take advantage of the modern production facilities and the expanded dealer networks

"Steps taken by management to remedy the problems experienced by the

company are already proving effective and, subject to reasonable economic conditions obtaining in the South African economy, they believe the company will be restored to profitability early in 1984"

COMMENT There has been speculation that Sigma's losses last year were as high as the R55-million now disclosed, but the shock is not much lessened by that

In 1980 the company made a pre-tax profit of more than R25-million and for 1981 the figure is known to have been about R27-million

It may be that Sigma was adversely affected last year by the minority shareholding of Chrysler

The US car giant has problems enough at home and might well have been reluctant to commit extra funds to a financial restructuring

Even so, Sigma's record in 1982 still makes doleful reading for Anglo American and Amic

Role of big business in a new SA

5/3/83
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E. P. 031

Weekend Post Reporter

BIG business in South Africa should play a major role in solving the country's growing social and educational problems and not just leave them to the Government, Mr Lou Wilking, managing director of General Motors SA, said this week

"Multinational and large companies should become increasingly involved in uplifting general standards in the communities from which they draw their manpower," he told Weekend Post

"Smaller companies and businesses, throughout the country, have opportunities to contribute significantly by initiating programmes and projects aimed at uplifting the general living and educational standards of local communities

"South Africa, as a country with a fast developing economy, finds itself in a situation where many employees work in a first-world environment and live

virtually in a third-world environment

"This is a very unhealthy situation. Despite the Government's attempts to accelerate social and educational improvements, industry and commerce must be prepared to play a leading role"

Mr Wilking referred to examples of his company's commitment towards its employees and their communities

This included financial contributions towards national and local social bodies, direct involvement in uplifting the facility standards of 21 schools in the Eastern Cape, clean-up campaigns at black secondary schools, making engines and components available to technical schools and colleges throughout South Africa for tuition purposes, and sponsoring a Junior Achievement Programme for pupils at black and white schools to help them gain a better insight into the background to business

Concern over threat to local content

By Don Robertson

MEMBERS of the motor-component manufacturing industry expressed concern this week at the suggestion by Dr Dawie de Villiers, Minister of Industry, Commerce and Tourism, that the local-content programme might be halted

Speaking at the official opening of a R6-million production facility at the Karl Schmidt piston factory in Alrode, Dr de Villiers asked if it was not time to halt the extension of the local-content programme

Klaus Daams, managing director, commercial, of Karl Schmidt, said that the component industry had invested considerable sums — about R120-million in the

past two years — to meet the expected requirement for components in the years ahead, and that it was hoped that the Government would continue to extend the programme

His own factory, which now has a capacity of 1,5-million pistons a year, was producing only about 850 000 annually

This was due partly to the economic downturn, but also because of delays in orders, particularly from the ADE plant

His company had invested about R20-million in plant and equipment

"We (the industry) would hope that fairly soon there will be a further increase in the local-content programme," he added

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S. P. ...
6/7/83

Giants are poised to invade the micro-computer market

BY ALEX PETERSEN

192 C. Times 12/3/83

THE MICRO-COMPUTER market looks set for a space-invader challenge in the coming weeks with the advent of a new range of micro-computers from the traditional main-frame manufacturers.

The new entries are certain to lead to a sharp shake-up in margins and prices, although at the same time the big names could stimulate demand. The micro-computer

market has until now been dominated by manufacturers specializing in micros, such as Apple and Commodore, but this week the prestigious IBM group launched their IBM

PC (personal computer) onto the market. To add to the fight NCR will respond with their NCR Decision Mate towards the end of the month, while Europe's

biggest main-framer ICL will introduce their powerful multi-terminal micro on the market in April.

The entry of the giants into the field of micros is indicative of the change in the industry, both in technologies and markets. Advances in silicon chip technology have been echoed by a huge growth in market potential, with medium-size and even small businesses using micros as indispensable business aids.

The market growth has clearly been too great for traditionally main-frame manufacturers to ignore, and the fight for market share looks to be intense, as it already is in the United States and Europe.

Although new in South Africa, the IBM PC has been on the US market for over a year, and its impact on the market was doubtless a factor in the recent launch of the new Apple model, the 2e, which boasted several improvements over their previous models.

Innovations

The race for innovations is one of the keys to the industry which has led to the micro's market evolution from that of the home computer to the sophisticated demands of business.

The effect on price has been dramatic. Today's micro-computers can perform a range of functions which a year or two ago would have meant a computer five or six times the price.

The reduced price brings with it a potentially vast market, and the giants want a slice, preferably a big one.

Anticipating the attack, Apple have cut prices. The new Apple 2e costs slightly over R4 000, complete with key-board, monitor screen and print-out facilities. With the same extras the IBM PC is slightly over R5 000, but Cape Town dealers and IBM in Johannesburg report that they have been inundated with enquiries.

The price of the ICL micro is likely to be marginally higher, but it has the attraction of being a multiple-user system, with more than one terminal and programme in use simultaneously, features unique in machines in this price range, making it less costly to expand.

New strategies

To get to the potential markets the giants are having to develop new market strategies, and some radical adjustments to their normal style.

In a decided departure to their traditional approach, IBM are not selling their micros themselves, but through a network of dealers selected for their expertise. The 23 dealers have all completed a course at IBM, since they will be required to provide back-up service and repairs if necessary.

ICL will have a similar arrangement, although I understand that repairs will remain a function of the group.

On the other hand, it is likely that NCR will handle both sales and service themselves in the major centres, mainly because of the technical support division they have developed for their point-of-sale terminals, although they will probably have dealers in some centres.

Estimates of the size of the South African market differ, but it is clear that when the economy moves out of the downturn, it will be with the aid of a lot more competitively-priced computers.

THURSDAY, 17 MARCH 1983

Indicates translated version

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(192) Atlantis Diesel Engines 17/3/83

377 Mr H H SCHWARZ asked the Minister of Industries, Commerce and Tourism

- (1) (a) What has been the daily average number of persons in the employ of Atlantis Diesel Engines for the period since its inception to date and (b) how many persons are in the employ of Atlantis Diesel Engines at present,
- (2) (a) what is the total production of Atlantis Diesel Engines to date in units and (b) how many such units (i) have been disposed of and (ii) are in stock at present,
- (3) (a) what is the maximum degree of plant utilization at which Atlantis Diesel Engines has operated to date and (b) what is its present percentage plant utilization,
- (4) (a) what is the total amount of money invested in Atlantis Diesel Engines and (b) what is its annual profit or loss based on the figures available at present?



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THURSDAY, 17 MARCH 1983

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The MINISTER OF INDUSTRIES,
COMMERCE AND TOURISM

(1) (a) The *monthly* average number of persons in the employ of ADE for the period 1/1/81 to 31/1/83 was 1 570

(b) 1 907 persons on 31 January 1983

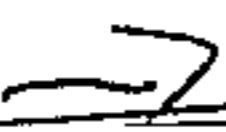
(2) (a) 28 552 units till 31 January 1983

(b) (i) 25 200 units

(ii) 3 352 units

(3) (a) During April 1982 the highest level of plant utilization was reached equal to 67% of capacity

(b) Approximately 28%



(4) (a) On completion of the ADE plant in 1984 the investment therein will amount to at least R450 million

(b) The expected loss for the financial year ending 30 June 1983 is approximately R22 million

This could force a number of truck-makers to reduce their product range, or simply go out of business. In the current period of depressed sales, some may find the new costs a bigger burden than they can bear.

ADE MD Hartmut Beckurts says "We have over 250 different variants of our engines at present and in the interests of lower costs would like to see this number reduced considerably."

Just how considerably might be known in a matter of days, when details of a computerised engine-rationalisation programme become known. There could be as few as 16 basic engines in the final line-up.

While truck sales were still booming a year ago, ADE adopted the policy of supplying a vast array of engines tailored to fit every model on the market. Vehicle builders were quick to exploit these liberal facilities since it was far less trouble than adapting their vehicles to basic ADE engine configurations.

Predictably, ADE sometimes suffered from the arrangement. In some cases it had to scrap design work and tooling when a vehicle-owner changed his mind about the engine he wanted. Consequently, it is now charging all design and tooling costs to its customers.

"This year we concluded there is a more cost-effective approach to these engineering problems," says Beckurts. "Once our customers know what the basic prices are, they can decide whether it is better to change their engines or change the chassis and cabs in their vehicles."

"We are now preparing a catalogue of standard options which will include, for instance, perhaps two sumps and various inlet and outlet connections."

ADE's accommodating attitude has enabled all truck assemblers previously in the market to stay in business. There have even been some newcomers in recent months. If the new arrangement forces some out of business, the Department of Industries will be pleased as it has long been in favour of rationalisation in the over-traded vehicle market.

DIESEL ENGINES (192)

Model answers

FM 18/3/83

IDC-backed Atlantis Diesel Engines (ADE) has devised a plan which could cut the prices of its engines by up to 10%. However, it involves reducing its current range of engine variants. This means that some vehicle builders could be put to even greater expense in adapting their vehicles to take the limited range of standardised ADE engines.

VW to spend R200m in next five years

By LOUIS BECKERLING
Business Editor

VOLKSWAGEN (SA) Pty Ltd has embarked with immediate effect on a five-year R136-million expansion programme at its Uitenhage vehicle assembly plant

An additional R64 million is to be spent on introducing new product, bringing to R200 million the total capital expenditure by the company over the next five years

The second phase of a project which has already seen R100 million invested (from 1980-82), the latest expansion was announced at a Press conference called yesterday by Volkswagen managing director Mr Peter Searle

The five-year second phase will involve spending some 60% of the total domestically, and the balance on imported plant and equipment. A further 2 000 jobs will be created by the move, which firmly rules out recent speculation of a phased relocation by the Uitenhage company

However, responding to a question during yesterday's conference, Mr Searle confessed while the main thrust of expansion would remain in the Eastern Cape "from time to time, with certain operations which can be hived-off, we'll look at other areas — as we have in the past

"Usually it has proved to be more economical to expand where the main activity is"

The expansion programme will raise capacity at the Volkswagen plant to 80 000 vehicles by the mid-'80s, at which point Mr Searle sees the vehicle market in the country restored to strong growth at around 350 000 units (thus projecting for Volkswagen a market share of some 23%)

Contrasting this target with Volkswagen's currently reduced share (of some 14%), it is clear that the company aims to boost its share at the expense of the remaining competitors in the market

"We are aiming for an increased market share," said Mr Searle, "but we're not being unrealistic"

Mr Searle believes that while market shares of the major competitors are due for a shake-up there will be no major changes to the number of competitors in the near future

And in any event, he added, the emphasis of the latest expansion programme at the Uitenhage plant fell on raising quality standards and working conditions rather than boosting output

A breakdown of the proposed expenditure reveals the following allocations

Capacity & facilities	
Mnfr & assembly	85
Paint shop	30
Prod engineering	11
Warehousing, welfare & training	10
Product	
New models	64
Total	200

Making the announcement in the company boardroom yesterday afternoon, Mr Searle said the plan followed lengthy negotiation with Volkswagen's parent company in West Germany, which would be injecting R50 million into its SA subsidiary

"Hence about one third will come from the parent company, a third from internal funds, and a third from external (local) borrowings," said Mr Searle

Mr Searle laid great emphasis on the fact that the envisaged expenditure was based upon meeting only the current local content requirement of 66% (by mass) for the additional capacity proposed

"Should the local content requirement be raised we would have to make additional investments, but I sincerely hope they are not raised because that would be to the detriment of the industry and the consumer"

Local volumes had ruled out the introduction of extensive robotics in the plant, said Mr Searle, and

though the expansion would allow a higher degree of automation and less non-productive handling, it would increase employment from the current level of 7 582 (down by 1 000 as a result of retrenchments over the past 12 months), by 2 000

According to existing agreements with the unions Volkswagen will grant preference to those 1 000 workers laid-off. However it was difficult to predict when recruitment would begin as the plant was still on a four-day week and would first have to be restored to a five-day week

The R85 million to be spent on "manufacturing and assembly" will be devoted to additions to "everything from body-presses through to the body-shop and right up to the final assembly area", said Mr Searle

The R30 million earmarked for the paint shop would be spent on increasing the pre-treatment facility at the factory — "that is phosphating, dipping and generally getting the body ready for painting, including corrosion protection"

"Welfare, warehousing and training" (R10 million), included locker rooms, ablution facilities and warehousing, and the product engineering component would expand existing testing and monitoring facilities

Sector (R million)

Maize chief warns SA tractor industry

192

By SIMON BLOCH

THE local tractor industry must get its house in order if it wants to compete against imported products, according to Mr Crawford von Abo, chairman of the Maize Board at a landed cost of about half that of similar tractors on sale in South Africa — and three more are on the way.

Mr Von Abo would not comment on speculation that the tractors were from Rumania, an Eastern bloc country, although plates on the engines and gearboxes indicated they were

The landed price of an imported 45,6kW 640 tractor with two-wheel drive (including tax) was R8 709. An imported 45,6kW 640DT model with four-wheel drive cost R10 906 and the 36,8kW crawler R9 547

Similar tractors sold in South Africa cost about R18 300, R23 000 and R21 500 respectively

Just before the ADE programme — making it compulsory for new trucks, buses and tractors to have ADE engines — became effective, farmers went on an all-out splurge in a last effort to buy machinery with imported engines

In the first eight months of last year tractor sales plummeted to 6 621 units from 15 922 in the same period of 1981 — a drop of 58,4%

82, 4 + 4 = 100, Section C

65%

(2)



**UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK**

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

Post Reporter
PORT ELIZABETH employer and employee representatives alike have responded with delight to the news that Volkswagen plans to spend R200 million in a massive five-year expansion programme at its Uitenhage plant.
 The plan, announced yesterday, is expected to provide jobs for 2 000 people and economic and employment spin-offs which will benefit the entire region.
 The secretary of the Industrial Council for the Automobile Manufacturing Industry, Mr E A Pretorius, said. "It is fantastic news. Volkswagen is to be congratulated for taking the step in a time of such hardship."
 It had come as a surprise, he said, and would at least alleviate some of the unemployment — especially in Uitenhage, where figures were particularly high.
 "It could also have a ripple effect, prompting people to invest now instead of being caught out when the economy improves."
 "It's the greatest news"
 A spokesman for the SA Iron, Steel and Allied Industries Union, which represents most white workers at the Volkswagen plant, said: "We could jump for joy at the news."
 He said the region was dependent on the automobile industry and the move was more than welcome

R200m
VW (192)
plan 23/3/83
pierces
E Cape
gloom

The secretary of the Port Elizabeth Chamber of Commerce, Mr Tony Gilson, said his members were delighted.
 "It is very encouraging because there has been a lot of gloomy news lately. It is a very laudable decision on the part of Volkswagen at a time like this."
 The expenditure of capital in the region, and the primary and secondary creation of jobs that would result, were very good news
 "While the economy is still in a downswing, they are preparing for the upswing, and we're very pleased," he said.
 The National Automobile and Allied Workers' Union (Naawu), which represents most black workers at the plant, was not available for comment today.
 ● See Page 12

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	Internal	External
(1)	(2)	(3)
9(a)	9	
6(b)	5	
7(a)	8	CEB
8(a)	6	CA
Examiners' Initials		

WARNING

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

- 3 Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

UNIVERSITY OF CAPE TOWN

16 RAND DAILY MAIL, Wednesday, March 23, 1983

VW to spend R200-million in Eastern Cape

By SIMON WILLSON

ANTICIPATING the predicted economic revival in the second half of the year, Volkswagen SA is to spend R200-million on expansions to its Uitenhage assembly plant over the next five years.

The expansion programme, announced yesterday, effectively puts an end to last year's speculation that Volkswagen was seriously contemplating pulling out of the eastern Cape to escape the region's chronic labour relations problems.

In August last year the company shelved a R70-million expansion programme because of persistent unrest among its labour force. VW warned the trade unions involved in the disputes that the company might be forced to look elsewhere — the PWV area in particular — to expand its operations.

VW managing director Mr Peter Searle also cited the high cost of capital as a factor in the deferral of the expansion programme.

Yesterday, however, Mr Searle was optimistic about the motor industry's pros-

pects over the next few years.

"We anticipate a revival of the economy and passenger car demand during the second half of this year and continued strong demand during 1984-85. This means that a major portion of the investment will be made in 1983-84," Mr Searle said.

The company's new investment would include the further expansion and modernisation of equipment in the Uitenhage plant's press shop, body shop, assembly and paint facilities. Machining, engineering and training processes would also be developed.

The expansion programme has been underpinned by a R50-million capital injection from Volkswagen SA's parent company in Germany, which is expecting 1982 to be its first loss-making year since 1975.

Additional funds have been generated from the subsidiary company's internal sources and from increased borrowings.

In February, after almost a month working a four-day week, VW laid off more than 200 Uitenhage workers because of the slump in demand for new cars.

The workers were told that they would be re-engaged

when there was an upturn in the market, and they will be among the 2 000 extra workers expected to be required by the expanded production lines.

The company has set a target of selling 80 000 vehicles a year in South Africa by the mid-1980s.

VW was one of only two car manufacturers to sell more than 3 000 new cars last month — the other was Toyota. VW's sales total of 3 005 units was second only to Toyota's 3 994 units as VW overtook Ford in the car sales league.

VW's Golf-Jetta model range sold 1 613 units — 7,7% of the market.

"Looking at the longer term, we see South Africa as a country with vast economic potential, and we intend to play our part in South Africa's economic growth and development," Mr Searle said.

VW's decision to expand its Uitenhage works will excite considerable relief among businessmen in the eastern Cape.

Authoritative estimates put the motor industry's contribution to the region's economic activity at more than 60%, and a VW defection to production on the Reef would have had severe consequences for local commerce.

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

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Examiners' Initials	DJA	

3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.

4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Answer books must be handed to the commissioner or to an invigilator before leaving the examination.

national board of directors of the International Marketing Institute Based in Boston, United States the institute conducts its courses at the Harvard Business School Forty-four South Africans have passed the IMI course

Seminar on women at work

WOMEN are not assertive enough, particularly at work, in the opinion of American clinical psychologist Dr Herbert Fensterheim and his wife, authoress Jean Baer

The couple are to conduct a seminar in Cape Town designed to give women more confidence and help them to succeed in business and in private life

Their advice is "Don't get stuck in a dead-end job Prepare yourself for your boss's job even if you have to find its counterpart in another company"

Other advice is "Be mobile Don't stay in one job for long Remember, if you're indispensable where you are you may be unpromotable"

Their Cape Town seminar will be on March 28 at the Mount Nelson Hotel

Production declining

WASHINGTON — Industrial production in the major industrial countries outside the United States dropped 1,1 percent in 1982, the largest decline in years, the US Government reports

Four of the seven major countries represented in the Commerce Department's international trade administration index reported declines in their output levels

They were West Germany, the Netherlands, Italy and Canada

Industrial production was up in the other three countries, France, Britain and Japan

In the United States it dropped by 8,1 percent in 1982, the largest drop in many years — Sapa-AP

VW plan delights E Cape businessmen

Argus 24/3/83 192
Argus Foreign Service

PORT ELIZABETH — An announcement by Volkswagen, a key industry in the depressed Eastern Cape economy, that it is embarking on a R200-million expansion programme in the next five years, has been greeted with delight by business leaders here

The latest investment would ultimately create about 2 000 new jobs, but there will be no immediate recruitment The plant is still working on a four-day week

Mr Denis Creighton, president of the Port Elizabeth Chamber of Commerce, said the programme was "good news for everyone in the Eastern Cape"

His view was echoed by Mr Malcolm Gilmer, president of the Uitenhage Chamber of Commerce, and Mr Brian Matthew, director of the the Midland Chamber of Industries,

VOTE OF CONFIDENCE

Mr Wallace Life, president of the Midland Chamber of Industries and manager of Good Year Tyre and Rubber Company South Africa, said "This is probably the best news for the Eastern Cape in years

"It is a vote of confidence in this country's vehicle market

" Apart from the new jobs created at Volkswagen there will be a ripple effect throughout the Eastern Cape economy and perhaps thousands of new jobs will be created at satellite industries"

Share offer

Argus Foreign Service
LONDON — Datastream, a computer-based investment research organisation is to launch itself on the stock market with an offer of shares to the public

JVC is a leading manufacturer of electronic equipment with worldwide sales of R1 800-million

Seven percent of Sansei's exports are to South Africa

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MOTOR INDUSTRY

VW's big push

192

FM 25/3/83

Volkswagen aims to boost its market share from present levels of around 13% to some 23% by 1985-1986. This works out to an out-

put of 80 000 cars in a total projected market of 350 000

The R200m expansion programme thrashed out after long negotiations with the parent company, will cover extension to plant and tooling for new products over the next five years

Volkswagen's fall from 21% of the passenger car market in 1979 to its current level has been attributed to a product range nearing the end of its life-cycle

Some R136m targeted for boosting capacity from 60 000/year to 80 000/year, will be allocated as follows

- R85m on modernising and expanding production facilities including presses body shop facilities and the final assembly area,
- R30m on improving facilities for phosphating, dipping and corrosion protection in the paint shop and for adding new paint-lines,
- R11m on product engineering which embraces new test facilities, and
- R10m on welfare, warehousing and training

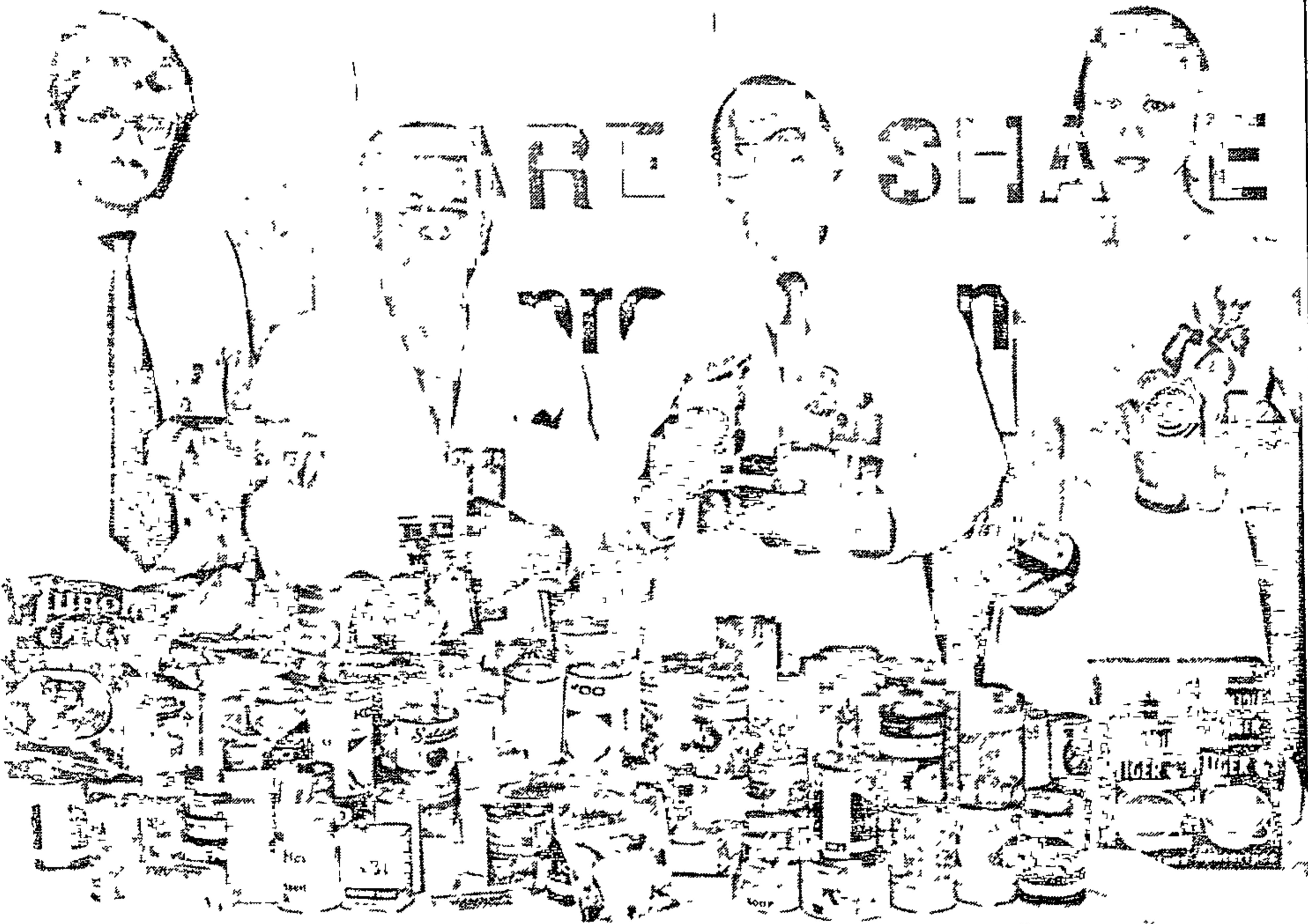
The balance of the total R200m will be spent on tooling up for new products

The investment will ultimately create 2 000 more jobs. But with a current labour force of 7 582, a backlog of 1 000 retrenchments will have to be made up before new jobs become available. Before recruiting can even begin, Volkswagen will have to return to a five-day week from its current four-day week

Volkswagen's German parent company will put up R50m of the capital while the remainder will come from either internal sources or borrowings

Page 102

Food cans galore for needy folk



Employees of General Motors at one of the "Share and Care" programme collection points at the plant. They are (from the left): Mr LYCETT BESTER, Mr CHRISTIE NAIDOO, Mr DAVID NAZO and Mrs ISABEL BOTHA.

Puppet group as venue

By STEPHEN ROWLES

Port Elizabeth City Council will today discuss an application from the Handspring Puppet Company for the use of the City Hall auditorium from April 4 to April 12 -- the company has already had to book another hall for the production.

City clerk Mr P K Botha, initially turned down the application because of the commercial nature of the production and the risk of damage to the auditorium. The company appealed against this decision and the Port Elizabeth City Council and General Purposes Committee recommended that the application be granted.

However, because the company had to secure a venue in advance of the production's opening it will now be held at the St Johns Methodist Hall.

Applications to be discussed at the monthly meeting to be held in the Council Chamber at 5pm are:

- An application from the Victoria Park Sports Club for a grant of R40 000 to alter and extend its change rooms.
- An application from the Baakens River Bridge in Kabega.
- A declaration of the Horse Memorial as a monument.
- An application from the Port Elizabeth Technikon for a grant-in-aid to cover the price of land bought for the school.

Fun for young anglers

Post Reporter

UITENHAGE — Young anglers can while away their holiday time at Willow Dam from Monday to Friday next week.

It is to be open for a week during the school holidays.

The Director of Parks, Mr Reg Pashley, said that because the municipal offices would be closed on Monday, the young people could go straight to Willow Dam and fish between 8am and 5pm without having to obtain permits.

Mr Pashley also said Uitenhage swimming pools would be open during the Easter weekend, with the exception of tomorrow.

All accommodation has been taken up at the caravan park and rondavels at the Springs.

Firm's workers 'share and care'

Post Reporter

A PORT ELIZABETH motor company's "Care and Share" programme has so far collected more than the equivalent of 8 000 cans of food for distribution to unemployed people in the Eastern Cape.

Mr Peter Sullivan, public relations manager of General Motors South African, said the scheme was intended to help alleviate problems caused by economic pressures and unemployment that had left many people in the area unable to meet basic needs.

Employees were asked to bring two cans of food or a donation of R1 once a week for four weeks. The company will match the contributions can for can and rand for rand.

Since March 9, collection bins and money boxes have been placed at strategic points on the company's premises each Wednesday.

The gifts will be distributed through a local welfare organisation — not only to former GM employees.

The managing director of the company, Mr L H Wilking, said the programme, based on successful campaigns launched by branches of the parent company in the United States, was designed to enable the employed to share with those less fortunate.

Each employee received notification of the programme and weekly reminders were placed under the windscreens of employees' cars.

Car company studies Transkei

UMTATA — A member of the board of management of a German motor assembly plant, Dr Helmut Schafer is undertaking a feasibility study of Transkei for a possible investment

Munich-based Dr Schafer, of BMW was entertained here at a function attended by three cabinet ministers and Transkei Development Corporation officials

The Minister of Health, Dr Charles Bikitsha said at the function,

Transkei was thrilled that BMW saw fit to visit Transkei

Dr Bikitsha said Germans should not be afraid to invest in Transkei as the country had a stable government based on religion, education and chieftainship

"I can also assure an unlimited work-force, admittedly untrained. We invite you to look at the spaciousness of our country"

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Asseng to lose R9m if offer fails

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 BDM

8/4/83

By STEVE ELLIS

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ASSOCIATED Engineering has provided a convincing counter to suggestions that the takeover offers by AE PLC of Britain and Mr Peter Rhodes are not high enough.

It has been forecast that the group will suffer a bottom-line loss of R9 382 300 in the year to this September if the takeover proposals do not receive shareholder approval next month.

The loss in the half-year to March, figures for the first five months of which are already known, is estimated at R6 361 000

The forecasts have been made under the guidance of the Standard Merchant Bank and the group's auditors, Alex Aitken

In the year to last September, the loss was R8 500 000 compared with a profit of R6 200 000 in the previous period, and the continuing losses are seriously eroding the group's capital base

AE PLC intends to buy the group's manufacturing and warehousing divisions as well as several sundry investments for nearly R15-million through a 225c a share cash offer

Excluded from the purchase is loss-incurring AE Motor Spares, which is to be bought by Mr Rhodes for about R300 000, or 7c a share. Of the R9-million loss projected for the present financial year, AE Motor Spares contribution is R6-million

It is believed that the Mine Officials Pension Fund initially intended to oppose the takeover, arguing that the 232c effective takeover offer was too much of a discount

on the 415c net asset value.

However, the offer documents released today show that net asset value is expected to fall 52% to 273c as a result of past and projected losses

The March-end value of assets being bought by the British group was 224c — a marginal 1c less than the company's cash offer — but the value is expected to fall to 197c because of losses between March and the date the takeover becomes effective

The managing director of Asseng, Mr Johan Meyer, confirmed yesterday that the Mine Officials Pension Fund was unhappy with the offer because of the apparent discrepancy between the offer price and the net asset value

"(However), my feeling now is that once they've seen these documents, they will realise that it would be very unwise of them to block the deal"

Mr Meyer said that Asseng executives had not met the fund's management because they did not want to treat them differently to any other shareholder

Now that the details of the group's plight were available, Mr Meyer said he was prepared to talk to any dissatisfied shareholder

The chairman, Mr Cecil Dace, says in the offer documents that the major contributors to the first-half loss were again AE Motor Spares and Inducem

The continuing losses have resulted in borrowings rising to above 100% of shareholders' funds — thereby causing the group to breach certain covenants of the group's debenture trust deed

"Asseng will therefore have to repay the 12% debentures prior to the financial

yearend"

The R4-million of debentures would have had to be repaid anyway because the debenture trust says that if the group sells a major portion of its assets, the debentures have to be repaid automatically

To help to repay the debentures, AE PLC is to buy a troublesome line of AE Motor Spares stock which, according to a Standard Merchant Bank spokesman, fits better into Inducem's range

The purchase price for the industrial equipment stock is R1 500 000

AE PLC will also lend AE Motor Spares R2-million interest-free — repayable within 13 months — to help in the repayment.

Mr Rhodes will provide the R500 000 balance

The British company's helping hand does not stop at the repayment of the debentures. The documents say "AE PLC will lend AE Motor Spares R1 152 468 in respect of purchase finance due and payable by AE Motor Spares on June 12, 1983"

The loan is also repayable within 13 months and bears a 4% interest rate

COMMENT Now that the real extent of Asseng's problems have been spelt out, there should be little doubt that the offers — particularly that of AE PLC — are fair.

Some sceptics will look at the reduction in losses forecast for AE Motor Spares in the second half of this year, down from R4 544 000 in the first six months to R1 456 000, but much work is still to be done before the division provides an adequate return

Indeed, if the prospect of a rapid recovery by the motor spares operation is rosy, why is AE PLC being so generous in providing the ailing division bridging finance?

With regards the fairness of the offers, I can only repeat Mr Dace's comment in his letter to shareholders: "If the scheme is not implemented, (the) directors believe it will be some time before Asseng's earnings and dividends can justify a price of 225c a share"

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SECTION III

Eastern Cape is geared to meet upswing

By CLIFF FOSTER and SIMON BLOCH

WHEN the next economic boom arrives — and industrialists believe it could be only six months away — the Eastern Cape is going to be in a far better position to exploit the sunny conditions than it was in 1980-81.

The component industry has geared itself to meet the most strenuous demands made by the motor plants. The training of black labour has been boosted to fill the gaps along the assembly lines.

In the last boom the component makers were hard pushed to keep pace with the car manufacturers, and car plants were outbidding one another on the labour market.

This time, said Mr Bill Hayward, secretary of the National Association of Automotive Component and Accessories Manufacturers, there is no question of manufacturers not being able to supply.

In a survey of what the next boom will mean to the Eastern Cape, he told Weekend Post "Naacam has appointed a firm of consultants to investigate the component manufacturing industry in great depth.

We had a report-back meeting recently on progress made and the consultants report that the motor industry component manufacturers' capacity has improved considerably over what it was.

"So I have no doubt in my mind that the investments made in the last 18 months — and still being made — in plant and equipment will ensure that if they are asked to supply an all-time peak they will be more than able to supply.

"In some sectors the manufacturing capacity has trebled

"They could meet the 1981 boom laughingly"

To make the best of the boom, "the East Cape vehicle manufacturers must attempt to recover the greater percentage of the market they enjoyed previously," he said.

"They have sacrificed this lead"

On black training, he said "This is going ahead exceptionally well"

"From 1976 when we opened the Emthonjeni training centre we have more than trebled our throughput. We have now completed a R3 million extension, and we are hoping Mr Fanie Botha, Minister of Manpower, will open it next month.

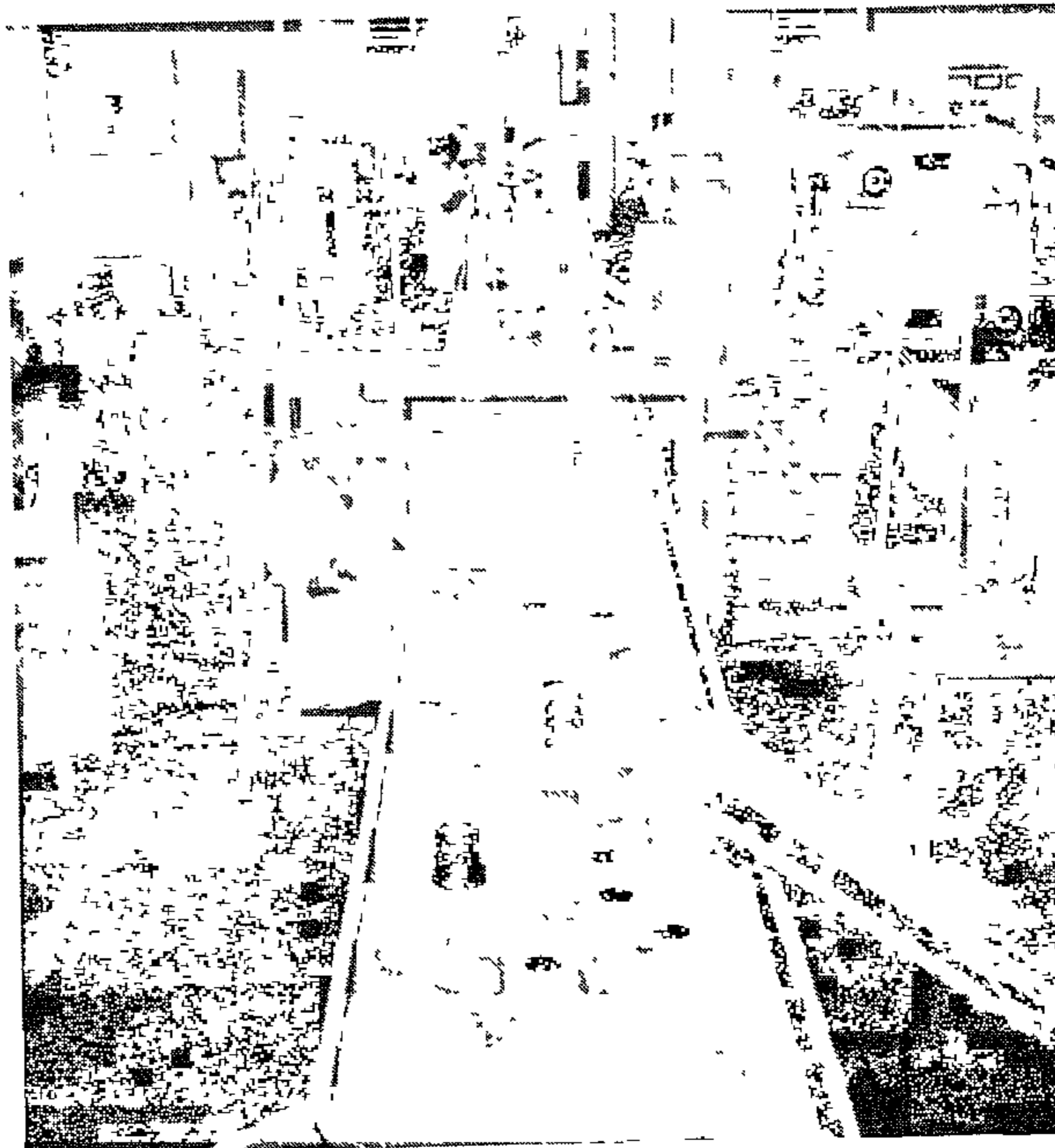
"Employers have used the recession to send workers for courses instead of paying them off. Ford are going to use two of our workshops permanently."

Mr Tony Gillson, director of the Port Elizabeth Chamber of Commerce, said members had been advised to prepare for the upswing in the economy.

"Indications are that certainly by 1984 we will be entering an economic recovery period. There are already encouraging signs that this is imminent.

"But," he added, "in the long term, unless this country irons out its inflation, which is much higher than that of its trading partners, we'll never get to the point where we are true competitors.

"Another aspect that should be encouraged is increased productivity. The need to train our workforces is tremendous," he said.



Part of the injection moulding section at the Hella plant, Uitenhage.

Mr Brian Matthew, executive director of the Midland Chamber of Industries, said the moment of recovery would depend on general economic conditions overseas, because South Africa is dependent on the rest of the world for placing its exports.

"I would say that towards the last quarter of this year we should start to see real growth take place.

"Some industries are at the fore while others are bringing up the rear. For Port Elizabeth, the car industry is near the front, while the building industry falls near the end.

"The East Cape is about 60% dependent on motor-related industry, and if one's production increases, the rest take off.

"Why we have suffered recently is that the three motor car manufacturers have got a smaller slice of the market than before and this has caused us to feel

the drop," he said.

Would the recovery be on a growth level similar to the boom times of 1980-81?

"What we would really like to see is a steady growth, not a sudden upswing. A constant 4% growth would be a good figure. I hope the Government will implement controls to regulate a steady growth," said Mr Matthew.

The bosses of the big three motor plants in the Port Elizabeth area — General Motors, Ford and Volkswagen — are all confident that an economic recovery is on its way this year, and forecast 1984 as the third-best year for the motor industry in South Africa.

Mr Lou Wilking, managing director of General Motors, said he anticipated a mild upturn in the economy during the latter part of 1983, with 1984-85 seeing the economy returning to normal.

"We see 1983 as the third-best year in the motor industry for South Africa, with forecasted sales of 374 000 units. In 1981, our best year, 453 000 units were sold, and in 1982 426 000 units were sold."

Asked whether General Motors would have to seek new skilled labour overseas to deal with increased demand when the upswing came, he said the company had the manpower required, as well as the facilities to train and utilise local workers.

"We have no intention of utilising overseas personnel," he said.

Volkswagen also expect a higher vehicle demand during the second half of 1983.

The public relations manager for Volkswagen, Mr Ronnie Kruger, said "We first have to normalise our own situation. We have intensive manpower training available in Uitenhage,

and our expansion will help to improve the unemployment in the area, which is the highest in South Africa."

Volkswagen recently announced a R200 million, five-year expansion programme.

Mr Brian Pitt, managing director of Ford, forecast improved economic conditions in the latter part of 1983.

"The unfavourable 1982 economic conditions will continue their trend for a few more months, but should improve in the latter part of this year.

"This will result in an upturn in the vehicle market in the last four months of the year, continuing into 1984 when we expect vehicle sales to improve significantly.

"We forecast the car market to reach 272 000 (last year it was 283 427 units and in 1981, the record year, it was 301 528) and a commercial vehicle market of 122 000 (it was 142 696 in 1982 and 152 013 in 1981).

"While 1983 forecast sales are lower than the previous two years, it will still be a healthy market — we also believe there will be a 5% to 10% increase in 1984.

"The challenge in meeting the sales upsurge will be in having sufficient suitable manpower and plant available. We have always taken a long-term view of this and over the years all our workers have undergone training programmes.

"Our plants have been continually updated to improve quality and efficiency. At present we have 300 employees undergoing full-time training courses in the technical and administration fields. Such programmes will continue to ensure we are fully geared to meet manpower requirements.

"In the short term, we will be reviewing production schedules at all our plants with a view to returning to a five-day work week. This will result in Ford being able to meet the gradual increase in demands and to be fully geared to take advantage of the upswing later in the year and in 1984.

"The company is also taking aggressive product and marketing action," Mr Pitt said.

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Toyota boss warns on local content monopoly

A WARNING that the truck local content programme should not be allowed to develop further in such a way as to threaten the country's free market forces was sounded by Toyota SA managing director Colin Adcock this week

Adcock, who has pointed out before the potential dangers of allowing monopolies to be created in the supply of truck components, said "The local content programme is now a fact of life and no longer a subject for debate. But if local content goes further, it should be as a result of initiatives taken by the manufacturers through NAAMSA, not something which is imposed upon them"

"We are totally in favour of the principles of a free market and the benefit this brings to industry and the consumer because of the competition it stimulates

Finance Reporter

"Already our lives are affected by a proliferation of rules and regulations and we do not want to see more introduced in truck manufacturing, especially if they threaten to create monopolies. Enough is enough"

Adcock said although the truck diesel engines supplied by Atlantis in the Cape were inevitably more expensive than imported assembled engines, the effect on the

operator was only a small proportion of his costs when the life of the truck is considered

The engine normally represented about 30 per cent of the cost of a truck, using an ADE engine. But now it is about 40 per cent

However, the ADE engines used in the Hino F-series launched this week had, when combined with new aerodynamic cabs, proved to be extremely economical

Exporter of the Year



DON'T forget your entries for the Sunday Tribune/Safto Exporter of the Year competition. Entries close on April 30. Ring Durban 324324 for entry forms

1992
S.T. Tribune 10/4/83

W.M. 11/4/83 192 247
Toyota aims for

20% more

DURBAN — The Toyota plant at Prospecion, Durban, which has produced its millionth vehicle, is investigating the possibility of increasing production by 20%

Toyota Manufacturing, known formerly as Motor Assemblies, took 35 years to reach this milestone

The 2-million vehicle mark is expected to be passed before the end of the decade. The plant is the biggest motor factory in Africa

Its executive director, Mr Ralph Broadley, said that because a sudden upswing in the market could catch the

plant off guard, engineers were working on means to step up production from 400 to 500 units a day

This would entail extending the paint section. The engine assembly section was being extended for manufacture of a new engine for light commercial vehicles

Machinery costing R6-million would be required, to build the engine, which would be in production in three or four months' time

Other improvements to the engine plant comprised the machining of more parts and the equipment would cost R3-million. This plant would come on stream next year — Sapa

NEWS

VW R200-m cash job lauded

THE Volkswagen announcement of a R200-million investment programme has given a shot in the arm to the depressed Eastern Cape economy - but the implications are far wider than the 2 000 new jobs that will ultimately be created

Firstly it has dashed rumours - widespread for the past few years that the company might move from Uitenhage to the Reef to escape chronic labour unrest in the Port Elizabeth area

Secondly, it will spark a full scale battle for supremacy in the motor industry, and this means Ford and General Motors in PE will press ahead with plans for expansion so helping to maintain employment in the region

Thirdly, PE businessmen were shocked by a report that the Western Cape and not their region was likely to get a R150 million soda-ash plant (SA Industrial Week March 2)

For years they had believed there was a good

chance of PE getting a soda-ash plant because of the salt and limestone deposits there

After this let-down the Volkswagen announcement has come as a psychological boost and business leaders in the region are delighted with the expansion programme

Good news

The president of the Port Elizabeth Chamber of Commerce Denis Creighton, says the programme is "good news for every one in the Eastern Cape"

Also elated are Malcolm Gilmer, president of the Uitenhage Chamber of Commerce and Brian Matthew director of the Midland Chamber of Industries

All organised industry

and commerce in the region is keen on seeing the Eastern Cape regain its position as the leading car manufacturing centre of SA

Wally Life, president of the Midland Chamber of Industries and MD of Goodyear Tyre and Rubber Company says "This is probably the best news for the Eastern Cape in years

"It is a vote of confidence in this country's vehicle market

New jobs

Apart from the new jobs created at Volkswagen there will be a ripple effect throughout the Eastern Cape economy, and perhaps thousands of new jobs will be created in

satellite industries

Peter Searle, MD of Volkswagen says "We see SA as a country with vast economic potential and we intend to play our part in the country's economic growth and development

"Our target is to produce and sell 80 000 vehicles a year by the mid 1980s and this will mean additional employment opportunities for 2 000 people

Training

"A massive training programme will be coupled to this to equip our manpower with the necessary skills

"The five-year expansion programme is underpinned by a R50-million capital injection from our parent company in Germany" said Searle

'Aggression the key to successful exporting'

AGGRESSION and dynamism are the keys to successful export marketing, said "Gar" Mitchell, MD international sales, of the multinational Federal Mogul's Target Products Division

Mitchell, who was visiting SA as the guest of his company's Southern African distributor, Sapco, said that SA's economic muscle and technological lead over her neighbours

made the country well placed to win much export business in neighbouring countries as well as further field

"But, if you really want to make a go of exporting, it is vital to be extremely dynamic," Mitchell said

'Gar' Mitchell

"If you send a telex to

an American company you will get a reply within 48 hours

"If you telex a Japanese company,

somebody will arrive at your office the next day

That's what success is all about" Mitchell said

Unusual policy

A NEW life assurance policy launched by IGI is an unusual one in that membership is available to employees and their families, through their employers

The policy, which offers cover to the employee to age 65, covers, in addition to the member, his spouse and all unmarried children (including legally adopted children) under the age of 21

The life cover is based on a multiple of the employee's salary or wages with a maximum of R12 000 a member

Cementation has... Portland Cement's... cremental launch method Simuma factory with the

Traffic spurs re

A SUBSTANTIAL start to be made this year upgrade sections of the main Johannesburg to Durban route where thousands of vehicles ground to a halt at the Easter weekend work. Lynn Carlisle

The two lane highway stretching 50km between Harrismith and Warden in the Free State, where vehicles came to a standstill for up to 90 minutes on Good Friday, will be turned into a four-lane freeway following allocation of R15-million. Revealing this to SA Industrial Weeks, senior engineer with the Department of Transport Re

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SPOTLIGHT ON ALLIED

THE ECLIPSE

14/4/83 (192)

Sigma, Peugeot denial

SIGMA Motor Corporation and Automobiles Peugeot of France have issued a statement to counter speculation that they will end their association

Peugeot executives under the leadership of Mr Bernard Terquem, director of Peugeot's overseas operations, visited South Africa recently and discussed all aspects of the association between the two companies with Mr Spencer Sterling, Sigma's managing director

At the end of the three days of discussion, Mr Terquem expressed his confidence in the restructured Sigma, and his satisfaction with the turnaround in Sigma's operations under the new management team

Before the visit of the Peugeot team, Sigma announced the appointment of Mr Michael Longley as quality assurance manager of Peugeot assembly, in a move designed to emphasise the priority being given to quality in the production of this vehicle

range — Sapa

BRIAN PITT

FM 15/4/83

192

Eastern Cape problems



Motor manufacturers in the Eastern Cape have been among the worst hit in SA industry by labour disputes and work stoppages. Last year, the region's

three motor companies together lost more than 8% of the passenger car market. For the first time, their total share of car sales fell below 30%. Yet their performance is critical to the region's prosperity.

Brian Pitt, MD of Ford SA, believes causes of the Eastern Cape's troubles are both temporary and long-term.

FM: Why did Eastern Cape manufacturers perform so badly in the past year?

Pitt: There are several short-term factors which should be reversed. The motor industry tends to be cyclical and is often affected by new model introductions. Likewise, when products are at a late stage in their life cycle, as some are in this area, they may perform less well. Various new product launches are planned to improve competitiveness.

At the same time, the recent introduction of new competitors has led to further fragmentation of the market.

Thirdly, the Eastern Cape has disadvantages in its relatively high distribution costs and labour costs. We pay among the highest labour rates in the industry, although the gap is narrowing. Nevertheless, we do feel that there is a need to provide additional regional incentives for industry in the Eastern Cape.

Can the Eastern Cape continue to maintain its position as SA's Detroit in the

long term?

We believe it will. Despite the difficulties, it's unlikely that any other area in SA will ever produce as much as 35% of the car market — providing labour stability is maintained.

Why have so many labour problems occurred in the area?

Many of the strikes in the Eastern Cape were the result of broad political and community issues being transferred to the work place and superimposed on work-related issues like housing, homeland independence, education and pass laws.

The tendency for these issues to be part of the work situation is more prevalent in the Eastern Cape for several reasons. The first, often violent contact between black and white occurred here, resulting in a historically more politically conscious black population. Later, SA's first black educational institutions, Lovedale, Healdtown and Fort Hare were located in the Eastern Cape, further contributing to the socio-political development among blacks locally. Also, it's the only industrialised area other than KwaZulu with a totally homogenous black population.

How long may labour problems continue in the area?

They are likely to continue as long as black aspirations are not met in a meaningful manner. Morale is currently at a low ebb among workers in the Eastern Cape.

The community grievances all still exist and they are exacerbated by acute unemployment with limited job opportunities. However, employers' ability to ameliorate this situation is restricted largely to job creation, education, housing and other community projects.

Looking for the right gear

The motor industry tends to be optimistic by nature — an essential trait in any consumer-based business. However, its tendency to look on the bright side at the wrong time is often the cause of unnecessary and avoidable cyclical grief.

Misplaced optimism has bruised many motor companies in the current recession. And recession it has undoubtedly turned out to be for the industry as a whole, although some tenaciously continue to call it a downturn.

The industry plays a formidable role in the SA economy and its fortunes have a wide effect. The National Association of

only 44 000 during 1981, when sales were at record levels. So, instead of improving productivity, manufacturers continued to hire staff although aware that the downward cycle lay ahead.

For those still at work, incomes are lower. Overtime has been eliminated and most companies are working short weeks at least some of the time. Indeed, declining disposable incomes throughout much of the economy has been a major factor depressing the motor sector. Peter Thompson, senior GM at Wesbank, which directs much of its business at motor vehicle financing, notes: "Typical of our industry, we have doubled provision for bad debt which has worsened in line with the state of the economy."

Motor vehicle sales — the most important indicator of manufacturers' prosperity — held up against expectations in the first half of last year, but collapsed from September. Between June and December, annualised monthly sales of passenger cars fell 25% from a peak of 322 000 to 243 000.

Loss of market share by Volkswagen, Ford, General Motors and Sigma greatly increased the effect of the market slowdown for them.

Profitability took a far heavier knock than sales. "The recession cut industry profits more deeply than some will admit," concedes Ford's MD, Brian Pitt. Volkswagen MD Peter Searle agrees. "This downturn was far more sudden and extensive than the previous one. It's had a marked effect on the profits and cash flow achieved by us and our dealers."

Notably, Colin Adcock, MD of the more successful Toyota, maintains he has never seen the recession as more than a normal cyclical fluctuation. "The industry should cope quite comfortably," he suggests.

No cheap finance

However, several factors other than sales squeezed profits. Unlike the last recession, interest rates have been high simultaneously in SA and overseas, leaving car-makers without relatively cheap sources of finance.

Thousands have been laid off and profits have plunged in the highly competitive motor industry. But vehicle manufacturers are preparing to gear up for the next big boom.

Automobile Manufacturers of SA (Naamsa) estimates 1981 passenger car sales at R2,1 billion and commercials at R1,1 billion — the total industry is worth around R3,2 billion a year. This year's total is forecast at R3,5 billion-plus.

Between 1970 and 1981, growth in total

All companies have suffered from unfavourable exchange rates. Those with Japanese-sourced products, for instance, saw the yen slide from 280-85 to R1 in early 1982 to the current 215-16, steeply lifting import costs.

Some manufacturers were clearly deceived by the timing of the fall in demand for cars. Usually, car sales are a sensitive economic barometer that moves early in the business cycle. When it didn't happen in the first half of last year, some concluded there would be merely a mild downturn.

When the market turned in August, it collapsed so suddenly that most were caught with high inventories. The result was widespread price discounting from mid-year on both new and old cars. This bolstered sales artificially, but further dampened

profitability

There was no relief in the commercial vehicles sector, where matters are far worse. Their sales were depressed by the economy, by confusion surrounding the local content programme, by advance buying ahead of Atlantis Diesel Engines, and by the drought. Indeed, demand for heavy commercials is in the worst slump ever.

Car sales remained low in the first two months of this year, totalling only 18 118 in January and 20 934 in February. But a measure of optimism is returning. Most manufacturers say March was a surprisingly good month. Nico Vermeulen, Naamsa executive director, expects to announce March sales of about 23 000 this week.

However, some point out that demand

vehicle sales grew an average 4,7% a year, or 24% faster than overall gross domestic product growth of 3,8% over the period.

Motor manufacturers have responded to the recession by laying off 3 923 workers. Naamsa figures show total employment in the motor industry plunged 7,8% from the historic peak of 50 282 in March last year to 46 359 in December.

Every car-maker appears to have retrenched, in numbers ranging from a low 100 at ebullient Toyota, which earned net income of R16,2m last year, to 1 200 at troubled Sigma, which lost R55m. Curiously, average employment in the industry was

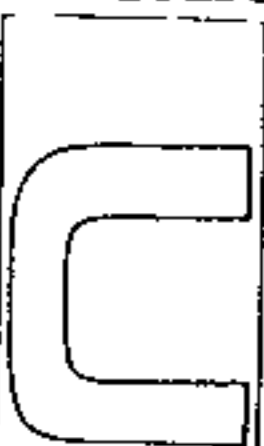
was probably better than usual for March, mainly because the Easter holidays fell in April this year. The consensus appears to be that the market has bottomed, but no real upturn is expected before the last quarter of 1983.

Manufacturers are taking defensive steps. Production has been cut and inventory levels reduced. At the same time, finance charges are declining and exchange rates have turned in the industry's favour again, taking some of the pressure off profitability. "We've been through a very difficult period in the last six months, but I'm optimistic the next half year will be much better," says Peter Whitfield, MD of Messina, Datsun's holding company.

The current year is generally seen as an

P.T.O.

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opportunity to consolidate and improve productivity. Rightly so. However, environmental factors such as interest rate moves, company efficiencies management judgment and labour stability will exert a far greater influence on profits, as they arguably did in 1982 when Toyota improved market penetration by 6% — from 15.3% to 21.3%. In that period, a collective 9.5% was shed by four companies: Sigma (1.1%), Volkswagen (3.4%), General Motors (2.8%) and Ford (2.2%).

The last three are located in the eastern Cape, an area long regarded as the Detroit of SA. In better days, it enjoyed more than 35% of the market, but its share has slipped below 30%, causing many to wonder if a structural shift away from the region has occurred.

Those in the eastern Cape don't agree (see box). According to Volkswagen's Searle, much of the loss came because current product ranges are nearing the end of their life cycles. For his part, Toyota MD Colin Adcock is convinced that luck played no part. "We did things better," he insists.

Adcock attributes Toyota's success to decisions taken over several years. Most important, he says, they ensured 100% co-operation from Toyota in Japan, ensuring the right products were available at the right time. Then, bucking the world trend, Adcock staunchly refused to market a

front-wheel drive car or a hatchback (although Toyota in Japan offered them). Company productivity, he claims, is probably the best in the industry, enabling attractive prices and better margins.

Adcock adds that Toyota's marketing and dealer networks are highly successful. Unlike most, Toyota tries to hold no stocks, instead distributing directly to dealers to meet orders placed months ahead. At the end of March, Toyota had just over 700 vehicles in stock compared with some competitors thousands. On the other hand, Toyota was more successful than most in meeting demand in the boom.

Tough market

SA motor manufacturers face the most severe competition in the world. The market is over-traded, and matters are getting worse. Late last year, UCDD launched Honda and Alfa Romeo is about to launch the Daihatsu Charade. This is yet another factor increasing capital expenditure.

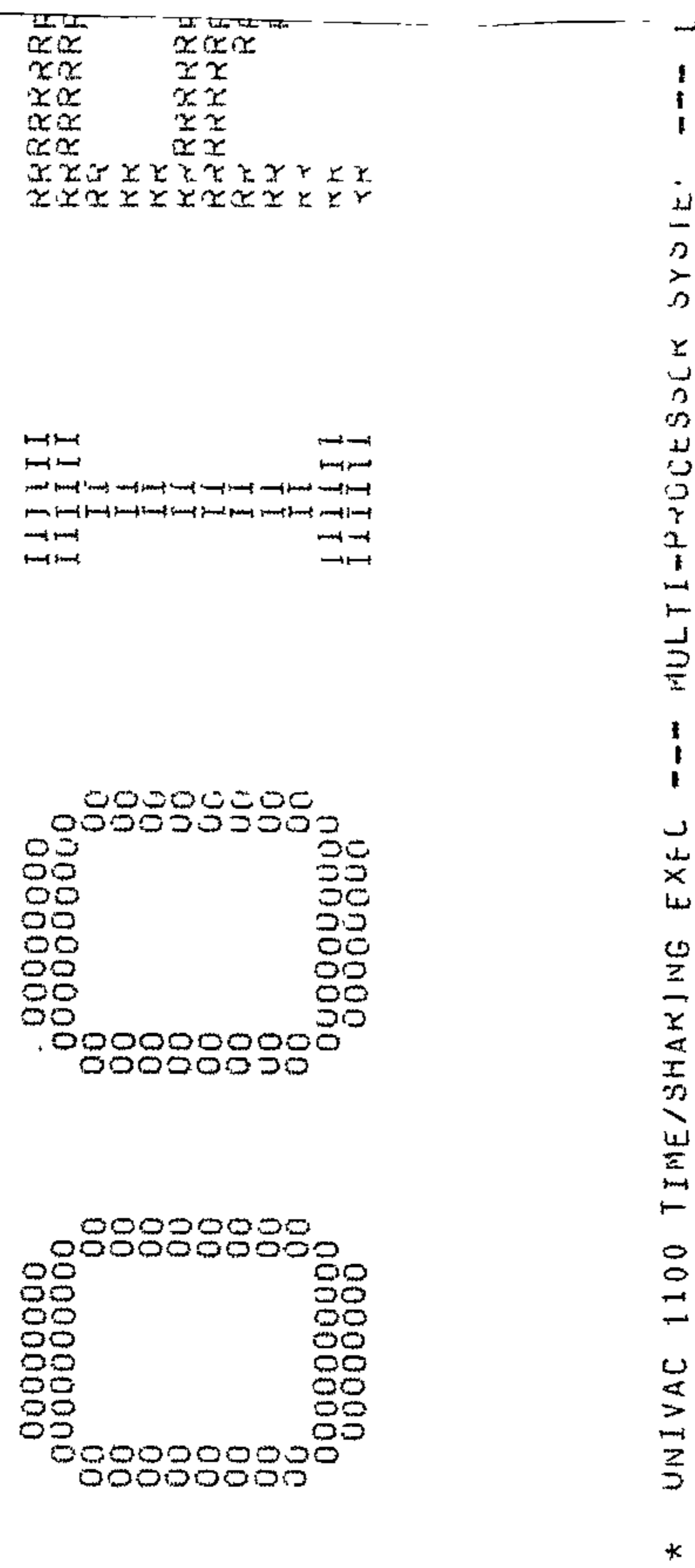
Almost all manufacturers have capital programmes planned to modernise plant, to produce new models and to expand capacity. Expenditure on new models is accelerating. Whitfield notes that most SA car-makers are launching new models and facelifting existing ones with increasing frequency. "You have to swim with it or lose market share," he says.

Despite generally low capacity utilisation now car-makers are expanding capacity ahead of the next boom anticipated to start late next year. Naamsa forecasts of vehicle sales of 381 725 in 1983 will rise to 421 830 next year and 453 450 in 1985. Whitfield believes total vehicle sales could be nearly 500 000 in 1985, rising by some 35% from this year. "This is in line with the normal long-term cycle," he says.

Market growth will be boosted by rising demand from blacks, Asians and coloureds, whose purchases Naamsa predicts will grow at between 14% and 18% annually — particularly stimulating the small to medium car sector.

However as in the past manufacturers base expansion plans on an act of faith — that they will succeed in holding and increasing market penetration. Typically, Volkswagen, which has committed R136m to boosting capacity from 60 000 vehicles/year to 80 000 vehicles/year, aims to lift its share of the car market from the present 13% to 19% by 1985-1986, when it projects total car sales at 350 000.

Some will no doubt achieve their projections. But if its wild fluctuations in performance are to be smoothed out, the industry in general will have to bring to bear more realism, better judgment and improved economic forecasting than it has done in the past 18 months.



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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

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

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

Motor company in labour dispute

20 APR 1983

Labour Reporter

A dispute over alleged victimisation of union members and company refusal to deal with a representative trade union is to be heard in the Industrial Court in Johannesburg on Monday

The case is between the Fosatu-affiliated National Automobile and Allied Workers' Union (Naawu) and the management of Alfa Romeo

Naawu has applied under section 43 of the

Labour Relations Act for the reinstatement of three of its members, recognition of the union and an order restraining Alfa from imposing a works council on workers

The union has claimed that Alfa refused to deal with Naawu and initiated a works council in response to Naawu's presence

An Alfa Romeo spokesman said the company preferred to await the decision of the Industrial Court before commenting on the matter

SA breakthrough in vehicle exports

Business Times
Reporters Times 21/11/83

SOUTH Africa is poised to break into a potentially important growth section of the international motor market.

Export earnings could top the R60-million a year already being earned from sales of the South African designed and built Ford Cortina bakkie in Britain.

A new half-ton bakkie designed, developed and now going into volume production in Port Elizabeth is being shipped to Britain this month for evaluation by senior executives of Ford's international operations.

Hopes are high that it will build on the success of the Cortina one-ton bakkie — the only South African vehicle exported overseas — in Britain, where sales of 10 000 units a year have shot into clear market leadership.

Volumes and earnings for the half-ton Ford Bantam could be greater and extend SA exports beyond Britain to Europe, Australia and North America.

Motor industry experts believe there is considerable growth potential, both here and overseas, for half-tonners, which, unlike other light commercials, are purchased predominantly by private buyers as an economical, versatile substitute for conventional passenger cars.

An indication of this is Volkswagen's decision to launch its US-developed half-tonner in Europe soon, build-



A MAJOR manufacturer of industrial instrumentation has approved the Ford Motor Company's choice of P100L as the name of its new de luxe pick-up truck.

Kent Industrial Measurements — a Brown Boveri Kent company — has a series of compact chart recorders called P100L in its clearspan range of electronic instruments.

"The quality, reliability and competitive price of the recorders make them very popular in the expanding compact recorder mar-

ket both in Britain and abroad," said the company.

"The recorders are already well established throughout the food, engineering, processing, power generating, chemical and petrochemical industries for monitoring such parameters as temperature, humidity, pressure, flow rate and electrical signals."

The P100L is assembled in Ford's Port Elizabeth plant

and have spin-off benefits for local component supply companies

Bantam prototypes and pre-production models have already completed 300 000km of testing in South Africa — ironically, disguised as Opel's world car, the Escort

Consequent export sales of either assembled Bantams or the unique South African components — or both — would give Ford SA a valuable bonus from its R7-million investment in the Bantam, create more work in the Eastern Cape motor industry

ing this derivative of the Golf in Yugoslavia

If it does well, Ford could follow suit, with the only competitive model in its stable being the South African Bantam derived from Ford's world car, the Escort

Consequent export sales of either assembled Bantams or the unique South African components — or both — would give Ford SA a valuable bonus from its R7-million investment in the Bantam, create more work in the Eastern Cape motor industry

Motor industry experts believe there is considerable growth potential, both here and overseas, for half-tonners, which, unlike other light commercials, are purchased predominantly by private buyers as an economical, versatile substitute for conventional passenger cars.

An indication of this is Volkswagen's decision to launch its US-developed half-tonner in Europe soon, build-

makers undertook all the design and testing work, even building a full-scale model from glass fibre, wood and clay — a task normally undertaken by specialists overseas in multi-million-rand styling studios

The financial viability of the project and the reasons Ford gave its local subsidiary the go-ahead stem from a unique set of circumstances

South Africa has the world's largest sales of light pick-up trucks in proportion to its total market, with half-ton bakkies bought predominantly by private buyers and not business organisations

To compete in this market within the constraints of the local content manufacturing regulations forced Ford to develop the Bantam here, and as a result it has a unique model ready to exploit the expected increased demand overseas for this type of vehicle

Certainly Ford has shaken some industry predictions by going for high volume immediately with a price of R6 545 for the new Bantam, which pitches it directly at the half-ton market leader, the Datsun 1400, which had a 70% share last year.

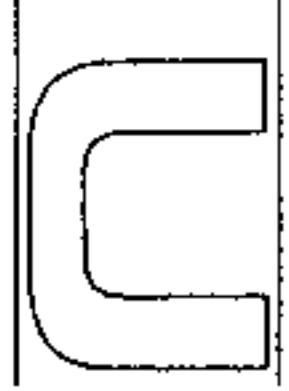
"The Bantam will dominate the half-ton market shortly," is the confident prediction of Ford's director of vehicle sales and marketing, Keith Butler-Wheelhouse

"We expect the half-ton segment to expand to take an average 30% share of the projected South African light-truck market of 112 000 units annually between 1984 and 1990"

For the first time in this country the computerised finite element stress analysis technique was used to design and evaluate the Bantam's body structure

Local engineers and die-

Local engineers and die-



Few problems in switch to ¹⁹² ADE engines

26/4/83 E-Post

THE switch to Atlantis Diesel Engine (ADE) power plants has met with few reservations other than on price

This is the finding of a multi-client market research study carried out on a syndicated basis for leading original equipment manufacturers in the truck industry, by Marplan market research

The findings are significant in that they are completely contrary to popular wisdom on the subject

The survey was carried out with a universe of 439 professional and ancillary truck operators, operating, between them, some 27 000 vehicles

It is the fifth in a series of such studies and detailed comparisons with the findings are now being made with the findings of the previous studies

The survey finds that there have been "remarkably few" problems in adapting to the ADE

Quality is perceived to be satisfactory and operators believe that the level of parts availability over the spectrum of parts will actually improve as a result of the ADE programme. The reason for this is parts commonality

At the same time the operators did not expect to change their favourite original equipment manufacturers (OEMs) simply because of the incorporation of ADE engines

"In other words another ADE bogey has been laid to rest, for it was suggested that OEMs would find it difficult to differentiate their products in the marketplace following the launch of the ADE programme,"

said Mr Ian Byers, managing director of Marplan

"Instead, the manufacturers are finding brand loyalty is strong and are differentiating their product on the basis of parts and service backup as well as product image overall"

Nevertheless competition among the manufacturers will be fierce against the background of declining sales overall and reportedly high levels of unsold stock

"This indicates the challenge of the OEMs is going to be coming to grips with market needs and becoming more market-orientated," comments Mr Byers

"Bells and whistles" are not going to sell trucks in future in his opinion

On a broader front the survey found that "intent to purchase" levels are low — against the background of the economic slump

In fact, the study shows that the total heavy-duty truck population of 236 000 will have grown by no more than 500 to 600 vehicles by the end of 1983 after allowing for fresh purchases and wastage

Demand will improve slightly in 1984 but will still not be strong, the survey finds

"Unless the economic upturn makes a major impact operators are going to continue to make do with their existing fleets wherever possible"

The sales slump had not been particular in terms of vehicle categories. However, there had been a slight tendency to upgrade bigger-capacity vehicles, a trend which Mr Byers says has questionable economic benefits

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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

4M 26 APR 1983 The Star

Dispute at Alfa in court

Labour Reporter

Judgment was reserved yesterday in an industrial court case in Johannesburg brought by the National Automobile and Allied Workers Union against the Alfa-Romeo management

The Fosatu-affiliated union alleged that Alfa had laid off active union members, established a works council to counteract the union's activities and refused to deal with Naawu at its Wynberg spares and workshop departments

Alfa's legal representatives asked whether the union was a party to a dispute and had a right to bring an action on behalf of three of its members and whether the court had the right to hear a case relating to alleged victimisation

They argued that the issue should be put to the Appellate Division for a decision

Naawu's legal representatives said these issues had already been decided

The industrial court was adjourned to consider the disposition of the case

Automobile Union case adjourned

SOWETAN

28/4/83

THE case between the National Automobile and Allied Workers' Union (Naawu) and Alfa Romeo has been adjourned to enable the court to consider certain points which were brought up by Alfa Romeo legal representative.

The dispute over the dismissal of the union's 13 members is being heard in the Industrial Court in Johannesburg. The union requested, among other things, the reinstatement of its members which, it said, were being victimised.

The points debated in court were:

- Whether the union had the right to bring a

legal action on behalf of three individual members, (192) ~~191~~

- Whether the union was a party to a dispute in this case, and

- Whether the Industrial Court had the right to hear a case on victimisation

Alfa Romeo legal representative argued that this point should be put to the Appellate Division for a decision. The Naawu representative argued that this item had already been decided upon and that the case should proceed. The court adjourned until further notice to consider the position.

Jo'burg
firm in ^{29/4/83}
R9m ⁽¹⁹²⁾
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By KEITH ROSS

EAST LONDON — A Johannesburg-based automotive components manufacturing firm today announced it would move its entire factory to East London

In a statement, Turin Industries said the relocation would involve a R9-million investment in the city

The announcement was made through the director of the Border Metropolitan Development Corporation, Mr Ted Walsh

Turin was clearing a site at Wilsonia and hoped to start production by the end of the year, he said

Initially more than 200 people would be employed at the factory

"This is the first major industry to relocate to East London as a result of the new decentralisation benefits," Mr Walsh said

Turin was the first of several industries that would be relocating in East London

"We are already dealing with several inquiries that have come to hand," he said

FM 29/4/83

BUS-BUILDERS

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Dennis the menace

In the depths of recession, SA's already overtraded bus-building industry is facing another contender, British-based Hestair Dennis

And despite the gloom, it claims early success Christopher Leaworthy, financial director of Dennis UK and assistant MD of the new local company, claims the first six months production has already been sold

"We are starting with one or two models from our Dart bus range, which has been demonstrated to potential buyers throughout the country," he says "They are powered by six-cylinder ADE diesel engines at the front and will be for rural application Other Dennis models will follow"

He declines to put a figure on the company's investment in the project but says factory space will be rented somewhere on the Reef The first chassis kits are due to arrive from the UK by August and deliveries to customers should commence in September

Total bus sales last year dropped by 199 to 2 364 units Forecasts for this year indicate a further drop to about 1 500 units, or 30% less Only slight improvement is expected for 1984

Last year, Mercedes Benz led the market with a 30,5% share, followed by Leyland

with 28,8%. These producers are traditionally the top sellers They were followed by Datsun/Magnis, Fiat, MAN, ERF, Ford, Toyota and General Motors

Industry sources believe that Dennis could hardly expect more than a 2% market share, about 30 units, for the first few years At this volume level, the exercise would be hardly viable, but sales will be supplemented by fire engines, the second string to the Dennis bow The local market should buy about 50 units this year, of which Dennis has so far sold six

Dorbyl subsidiary Busaf, which manufactures bodies for about 80% of SA buses, could well be involved in the Dennis venture

If current negotiations are fruitful, Busaf would get the franchise to fit bodies to Dennis buses, and would act as a distributor for the finished product

Busaf marketing GM Sarel Ras says it would be similar to the deal the company has with Sigma, Toyota and others but "we do not expect to make an announcement before July"

Dennis's new plans have meant an end to its arrangement with Foden SA, which manufactured Dennis fire engines at its Alberton plant

Foden, which sold 152 heavy trucks last year, will continue in this market with its new Pacar model And it will now compete with Dennis in the fire engine market with

US-sourced Emergency One range of emergency vehicles

Adds Foden MD Alf Cook "The new Emergency One franchise gives Foden a broader base in this field and could pave the way for Foden chassis to be used for these vehicles, especially those which carry the big 110m ladders used for high-rise buildings"

FORD KEEPS THE LEAD

FM 29/4/83

192

Ford has retained sales leadership of the tractor market, originally wrested from Massey-Ferguson, for the first quarter of 1983

In March it sold 210 units to capture 31,5% of the market, while its share for the year to date is 26,8%

But this must be small consolation because total tractor sales have declined 35% to 1 876 units in the first quarter of this year. The downward trend appears to be continuing because March sales were 11,7% down on February's

"Owing to the countrywide drought, the outlook for the tractor industry in 1983 is not at all good," says Keith Berning, Ford's tractor operations manager. "We are forecasting a total tractor market of 8 000 units for this year — the lowest on record. The diminished tractor market will continue to be characterised by intense competition as the 12 manufacturers compete for a share of the available business."

R9m factory moves to EL

EAST LONDON — A major manufacturer of automotive components, Turin Industries (Pty) Ltd, is moving its plant from the Witwatersrand to East London.

This move, first fruits of the decentralisation scheme, involves an investment of R9 million and jobs for more than 200 people

Work has already begun on levelling the site at Walsonia. Plans are for the plant to be in production by the end of the year

A statement issued by the Border Metropolitan Development Corporation (Bomedco) reads

"It has been confirmed that Turin Industries (Pty) Ltd, manufacturers of automotive components will be relocating their Industria plant at Walsonia, East London. Levelling of their site has already commenced

"In confirming the proposed relocation, Mr V T Daffonchio, the chairman of Turin, expressed his appreciation to the local authority, the Decentralisation Board, the Industrial Development Corporation and Bomedco for outstanding assistance rendered

"Mr Leon van Rensburg, a director of the company, advises that the move will entail an investment of R9 million of which R4 million is for a new factory and services and R5 million for plant and equipment. Initial employment will exceed 200 persons

"This is the first major industry to relocate from the Witwatersrand to East London as a result of the new decentralisation benefits"

That an established industry is prepared to

move to East London is a demonstration of how well the decentralisation incentives are working. As Mr Ted Walsh, executive director of Bomedco, said yesterday, others will surely follow

Mr Walsh remarked on the speed at which the project has got under way

By
TOM LOUW
Business Editor

"On January 27 the Turin people first came to my office. In three months, on April 27, levelling of their site had begun

"This shows that if your case is in order, there is no delay," he said

Mr Walsh paid tribute to the City Engineer, Mr Graham Keppie, and municipal staff for an intensive effort, including weekend work, to help push the project through

In his turn, Mr Walsh was praised by Mr Leo Borman, deputy chairman of Bomedco, for "a fantastic effort"

Mr Borman said Turin Industries have been major suppliers of components to his firm (Car Distributors Assembly, who build Mercedes-Benz and Honda vehicles) for a considerable time and he is delighted that they are coming to East London

Clearly, with a big part of the motor industry

established in the Eastern Cape, there are advantages in having an important component manufacturer in this area

The Mayor of East London Mr Errol Spring, who is also chairman of Bomedco, said it was a great satisfaction to be seeing the first fruits of the efforts being made. He thanked Mr Daffonchio and the other directors of Turin Industries for the confidence they had shown in East London

"I believe this is the start of steady growth in East London," Mr Spring said. "It is also a further development of the motor industry here. This is in line with the Bomedco policy of initially fostering growth in the motor, textile and electronic industries — the three main industries which already have a firm base here"

Mr Spring said this success undoubtedly came from a team effort and Bomedco fully appreciated the support it was getting from all quarters

"With this type of total commitment we can only go from strength to strength in this Border area of ours," he said

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KSEOTA



May 17 5a F03470
CWIU
CHEMICAL
WORKERS
INDUSTRIAL UNION

PRESS RELEASE

Negotiations deadlocked today between the Chemical Workers Industrial Union and Bonus Fertilizer (Pty) Lto. (Richards Bay) over the company's refusal to reinstate 93 of its 110 employees which it claims to have fired.

The company's attempt in March to retrench 40 workers without consulting the union led to the union declaring a dispute which was temporarily resolved when the company agreed not to take any unilateral action or retrench any workers until retrenchment procedures had been negotiated.

In gross violation of this agreement the company locked its gates against workers and informed them they had been fired.

Meantime the company has only employed a few temporary workers making it clear that this is a crude attempt to avoid negotiating with the union and paying out any retrenchment pay.

The company refuses to negotiate any further and consequently the union has no option but to commence legal proceedings against the company.

4.5.83



NAAWU

PRESS RELEASE

The case between NAAWU and Alfa Romeo was adjourned today to enable the court to consider the following points which were brought up by Alfa Romeo legal representative.

1. Whether the union had the right to bring a legal action on behalf of three individual members.
2. Whether the union was a party to a dispute in this case.
3. Whether the industrial court had the right to hear a case on victimization.

Alfa Romeo legal representative argued that this point should be put to the appellate division for decision. NAAWU representative argued that all these items had been already decided, and that the case should proceed.

The court has adjourned until further notice to consider the position.

25 4.83

VW is back on five-day week

192
E. Post
2/15/83

By LOUIS BECKERLING
Business Editor

VOLKSWAGEN'S 5 500 motor workers are back on a five-day working week — and their collective wage packets will accordingly be boosted by about R300 000 on Friday.

Volkswagen staff turned up at the motor manufacturer's Uitenhage plant in force today — the first Monday on which it has done so this year.

The decision follows that by Ford (SA), which resumed a five-day week after the Easter weekend at all its Port Elizabeth plants except the truck plant. Ford's decision, affecting about 2 000 workers, meant that about R200 000 a month was restored to Port Elizabeth's wage-earning capacity.

A spokesman for General Motors said the company was still on a four-day week and there was no immediate prospect of a change.

Commenting on Volkswagen's decision, the company's public relations officer, Mr Ronnie Kruger, said it "might from time to time be forced to adjust working hours in certain selected departments, but for the plant as a whole we're now back on a five-day week."

Volkswagen cut back production to a four-day week in response to contracting sales when it re-opened its plant after the Christmas recess. In addition, there were about 1 400 fewer workers on the payroll than in January, 1982.

Thus while this week's decision considerably improves the fortunes of those workers not laid off because of the recession, Volkswagen still has to re-employ about 1 400 workers to reach its full staff complement of 1982.

Year	Membership		
	African	Asian	Coloured
1970			
1971			

Founded:

Mr Kruger said the decision to resume a five-day week was taken as a result of improved demand for Volkswagen products. The company's sales had received a boost as a result of the launch of the Jetta GLI and GTI models and the continued "excellent performance" of the Passat range.

Despite this boost, Volkswagen's prediction that a total of 260 000 passenger cars will be sold this year (8% down on 1982) has not been revised.

Mr Kruger said about R11 million of the the recently announced R200 million expansion programme at the company's Uitenhage plant had already been spent.

"By the mid-eighties we will, as a result of the expansion programme, increase our work force by some 2 000," he said.

Latest figures supplied by Naamsa (the National Association of Automobile Manufacturers of SA) show that all seasonal boost saw sales figures surge in March to 21,6% above February sales. The 25 453 cars sold that month nonetheless lagged 5,6% behind comparable sales in 1982.

March was a particularly good month for Volkswagen, with sales 31,31% up on February and its market share boosted from 14% to 15,5% as a result.

Cummins *Industrial Week* **'saved' on** **excise duty**

192
~~192~~

CUMMINS diesel engines have won a reprieve from the Board of Trade which is allowing imports of the engines for heavy commercial vehicles with only minimal excise duty being charged.

Truck manufacturers

Staff Reporter

specifying the 350 hp and 400 hp units (260 kW and 300 kW), have had applications against specific vehicle types approved, including imported gearboxes and local axles, at duty levels that ensure them a future place in the competitive truck market.

Most manufacturers anticipated that imports of the 260 kW engine, which competes directly with the V10 engine produced by Atlantis Diesel Engines, would be effectively priced out of the SA market, due to 20% excise duties payable the full wholesale price of trucks fitted with imported engines and transmissions.

The bigger 300 kW unit was expected to attract some excise duty - sufficient to keep it well clear of the V10 market - whereas the Board of Trade has granted imports without any excise duty being payable.

A spokesman told Industrial Week that there was no clearcut guideline as to what would attract excise duty, and that applications would have to be made for specific trucks to determine excise duty payable in each instance.

"The VB engines, known as the 422, although not on the list of locally manufactured engines, will not attract excise duties, even though specific application will still need to be made by truck manufacturers seeking exemption.

"The V10 engine, known as the ADE423, does not qualify for exemption, however, and will be treated the same as any other engine not manufactured locally.

"Special concessions may be made in certain circumstances for the V10, in the same way as concessions will be granted on other imported engines not featured in the ADE programme," said the spokesman.

The Board stresses, however, that there will be no specific ground rules, such as the industry has been seeking for several months.

"We have discussed this with manufacturers, ADE and the South African Bureau of Standards and there is no system that we have considered that would be workable.

"For the time being we will have to consider individual applications on merit."

Plant denies victimising dismissed black workers

5/5/83 Post Reporter E. Post

THE marketing manager for Alfa-Romeo in South Africa, Mr R McCleery, said today workers in the plant were definitely not "victimised", as claimed by the National Automobile and Allied Workers' Union (Naawu)

In the meantime, a partly-heard Industrial Court case, the sequel to the dismissal of 16 black workers at the motor assembly plant in Wynberg, Johannesburg, in February, has been postponed indefinitely

Sixteen workers lost their jobs because of retrenchment. However, Naawu took up the dismissal of only three of them with the Industrial Court

Mr McCleery said today workers in various departments were retrenched because of the downturn in the economy

"It was a normal business decision," he said

He was unable to say if another worker was hired in the parts warehouse the day before the 16 men lost their jobs, as claimed by Naawu

Mr Freddie Sauls, regional secretary of the National Automobile and Allied Workers' Union (Naawu), said today the workers were "victimised" because they refused to join the works committee at the plant

The men whose cases were referred to the Industrial Court were Mr Thomas Mathole, Mr Hendrik Poo and Mr Lazarus Njoepe, all of Alexandra Township, near Johannesburg

Mr Sauls said the case was partly heard and was postponed indefinitely

(192) (179A) E Post 5/5/83

Steel-collar car workers that are 'semi-intelligent'

THE worker slowly picks out a metal letter from the box in front of him, looks at it and, after careful consideration, places it next to the other five on the platform to spell the word "people"

Nothing strange perhaps — except the worker has only one arm, stands one metre high and is made of steel

Such "semi-intelligent" robots were the stars of the recent Hanover Trade Fair and they are heading a revival in West German demand for steel-collar workers

Euphoria over robots in the early 1970s, after their introduction at Volkswagen and Daimler-Benz car plants, quickly evaporated in the face of vast technical difficulties and high development costs

But the new breed of robots is capable of more intricate tasks. Companies see these steel servants both cutting costs and increasing flexibility and productivity in the face of tough competition

The number of robots employed in West German industry has trebled in the past two years to about 3 500 and this rapid growth has led experts to raise their estimates of 1985 usage to 7 500 from the previous 4 500

Purchase prices remain high although experts say a DM200 000 (DM = mark)

Increasing automation in motorcar manufacturing and in other industries has been held out as an increasingly realistic option to labour unrest. In this report from the Hanover Trade Fair in West Germany, ROBERT WOODWARD outlines the enormous technological advances that have made robots a major factor in cutting costs and raising productivity:

(R85 000) loading and unloading robot will pay for itself within 1½ years

Most West German robots are installed in the car industry where they are ideally suited both for monotonous, back-breaking work such as welding and body assembly, and potentially-dangerous tasks like spray-painting

Their takeover of so-called "dirty" jobs is popular with workers and has short-circuited attacks from trade unions who had feared widespread job losses after the arrival of robots

"A robot can at present hardly do more than a blind man with thick gloves," leading robot expert Mr Hans Warnecke says reassuringly

But unions are unlikely to be so passive in the face of the new "semi-intelligent" generation of robots, prototypes of which were on show in Hanover

Robots are currently pre-programmed with a computer to undertake cer-

tain tasks which they can carry out fast and accurately 24 hours a day, seven days a week

However, problems can arise when, for instance, the joint to be welded is slightly out of place and the robot merrily welds a hole in a wing mirror

Ford will introduce a new generation of wheel-mounting robots this year, capable of finding the position of hub bolts with computer-linked sensors and then power-screwing the wheel onto them

Researchers are also developing even more advanced sensors, like those on the "people" robot. These will discern, via touch and infra-red sensors, whether the robot can carry out a particular task and if it is completing the task successfully

There is already one robot for every 500 workers in the car industry and IG Metall, the industry's union, fears the new breed will either cause redundancies or

mean displaced workers are forced to undertake more menial tasks

Economists estimate around 600 000 of West Germany's one million assembly workers have unskilled jobs which could be taken by robots. Robot manufacturers believe union fears are exaggerated and say their industry has a key role as an employer — the current workforce of 14 500 is expected to climb to 20 000 by 1985

They add that many firms, and jobs, are saved by increased efficiency following robot installation. But the unions point to Japan, where car workers are increasingly disturbed by the number of robots in industry. Japan has 11 robots for every 10 000 workers compared with less than three in the US and West Germany

Nissan's 47 000 employees have forced the company to agree not to sack anyone after robot installation. Additions to the firm's 700 robots will now be

allowed only with union consent

West Germany's robot producers are also closely watching Japan as they fear falling sales in the Far East and US could lead to a Japanese offensive on the European market

Japan has about 13 000 robots in operation at present, at least double that of any other country. But the turndown in the car industry has forced Japanese producers to slash prices to inflate sales, experts say

West German producers admit that Japanese firms have a larger research and output potential. They also complain that stringent safety regulations and the power of unions in West Germany are inhibiting robot use

But firms here are rapidly catching up in the field of robot technology due partly to a series of joint ventures with Japanese firms. Hitachi recently linked up with the West German Zeppelin company, while the large Siemens group is developing "multi-sensor" robots with Fujitsu-Fanuc

However, US experts say the Japanese are expected to increase direct marketing of their products soon and to start buying up small European robot firms — Sapa-Reuter

ADE may have left it too late to persuade the BOT to give it full protection. Whatever else, the Board's decision on the big-cam Cummins is being seen as a victory for heavy truck producers wanting to bypass the ADE V models. The Board, however, says it is taking into account the sourcing of gearboxes and drive lines in reaching its conclusions.

One manufacturer reports that "minimal" excise duty is being imposed on the 350 hp Cummins "in spite of the fact that we are using imported Fuller gearboxes, on which we pay a duty of about R200 each. We use the Rockwell back axle, but this is listed for local production. We have no problems. It's business as usual."

TRUCKS 192 FM 6/5/83 Duty dilemma

Truck producers are unlikely to be given the guidelines they are seeking on excise duties to be charged on imports which compete with Atlantis Diesel Engines (ADE)

Manufacturers have been urging the Board of Trade for months to divulge the basis to be used. Without this information, they find it difficult to fix the prices of their trucks and evaluate future competitiveness.

"We have tried all ways imaginable to set fixed guidelines, but this doesn't work," a Board of Trade (BOT) spokesman says. "We have discussed this with manufacturers, ADE and the SA Bureau of Standards (SABS), and there is no workable solution."

It seems the best that can be done is to compare imported engines with the Kw and torque ratings of ADE engines, and then assess the rest of the vehicle for its imported or local drive lines, its overall cost and competitiveness, and only then set the level of excise duty.

Also to be taken into account will be the type of engine previously fitted by the manufacturer. "We can't have a producer fitting a bigger engine to escape excise duty as this would establish unfair competition for others," says the BOT source.

The ruling may have anomalous implications. For example, one manufacturer could end up paying a different rate of duty to a competitor who uses the same engine. And there may be instances where protection for ADE, the main reason for the excise duty, may prove to be only marginal.

In two reported cases, truck assemblers have been permitted to import Cummins 350 hp units — which compete directly with ADE V10 power units — and have paid marginal duties. The 400 hp Cummins engines have been cleared for importation duty-free. The situation may differ between manufacturers on the duty levels imposed, but this appears to be a typical outcome.

ADE will be hard pressed to keep its V10 market intact. If the board maintains low excise duties on Cummins imports, it may be threatening an engine that could have strategic significance and which would require support from truck manufacturers to expand volume.

Sources also point out that the industry had virtually abandoned hope of having imported units. In allowing them in now, the Board may be working contrary to the original intention behind published measures for protecting engines up to 22 l capacity — a measure that officially still stands.

The ADE V10 unit has been under a cloud since manufacturers first lobbied fiercely to exclude the smaller V8 engine from the local programme. The Bot confirms that the V8s have been officially cleared for full rebate of excise duties, even though they do not feature on the official list of locally manufactured engines.

"At the moment, the V10 is not on our protected list, although it is part of the ADE engine schedule. We are looking at the ADE V10 as we would any other engine outside the official local manufacturing list. It might, however, receive concessions according to individual circumstances," the Bot spokesman says.

SA car maker to control its own shipping service

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A SHIPPING service between the Far East and South Africa developed by Datsun-Nissan South Africa will benefit many other local companies.

An agreement signed between Datsun-Nissan SA and the Ahrenkiel Group, a German-based shipping organisation, provides for a twice-monthly service from the Far East and a once-monthly return trip

The two companies have formed Ahrenkiel Liner Service, with Datsun-Nissan South Africa holding 50 percent of the equity

Ahrenkiel Liner Service will be responsible for the shipping of all Datsun CKD (completely knocked down) and CBU (completely built up) parts from Japan

It will also carry South African products such as steel and ore to the Far East on the ships' return voyages

PROTECT INTERESTS

Mr Vincent Maroney, managing director of C F Ahrenkiel in South Africa, said the development resulted from Datsun-Nissan deciding that, to protect its interests and



MR Loof Muller, right, managing director of Datsun-Nissan South Africa, and Mr Jurgen Pahl of C F Ahrenkiel sign the agreement to form Ahrenkiel Liner Service.

to move its product as economically as possible, it must control its own shipping

"This has been done by employing shipping managers, by looking at how best to develop that service and by evolving from a charter operation

into a regular liner service

"This liner service can offer benefits to different types of customers other than the car business

"Our ships carry an assortment of cargo apart from Datsun parts — and we have been astonished

at how rapidly the South African market has responded to our being able to offer a return service for local produce destined for the Far East

REDUCE HOLDINGS

"The twice a month sailings also have an important benefit in that local businesses can substantially reduce their inventory holdings

"We operate two vessels a month westbound from Japan and one vessel a month eastbound from South Africa.

"Our schedule is based on fixed sailing dates from Japan, Taiwan, Hong Kong, and Singapore and consequently fixed arrival dates in this country, with a transit time of 25 days"

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HELP SAMAG AND SOUTHERN CROSS RAISE FUNDS FOR THE MEN ON THE BORDER— AND WIN TOF4 DATSUN PULSARS

Magnis Truck Corporation, manufacturers of the Samil military vehicle and the Samag 'civvy' truck, are mounting a nationwide Convoy that will visit our dealers, to help the Southern Cross Fund raise more money for our country's fighting forces.

local Samag dealer. This is your chance to help our fighting forces — plus a chance of winning a brand new Datsun Pulsar in four provincial competitions. Entry forms (minimum donation R2,00) will be available from all Southern Cross offices, Police Stations and Samag Dealers.



192

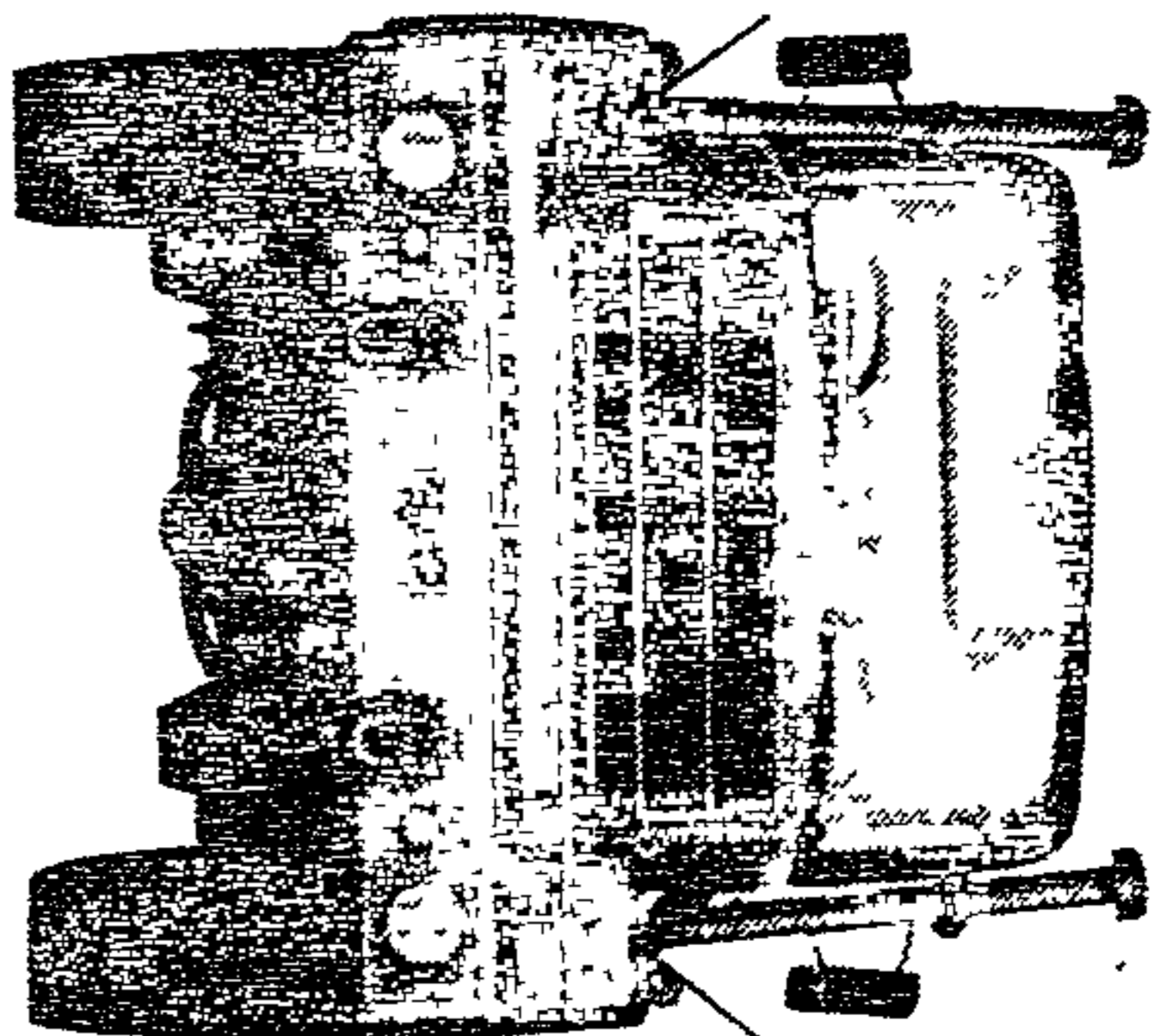
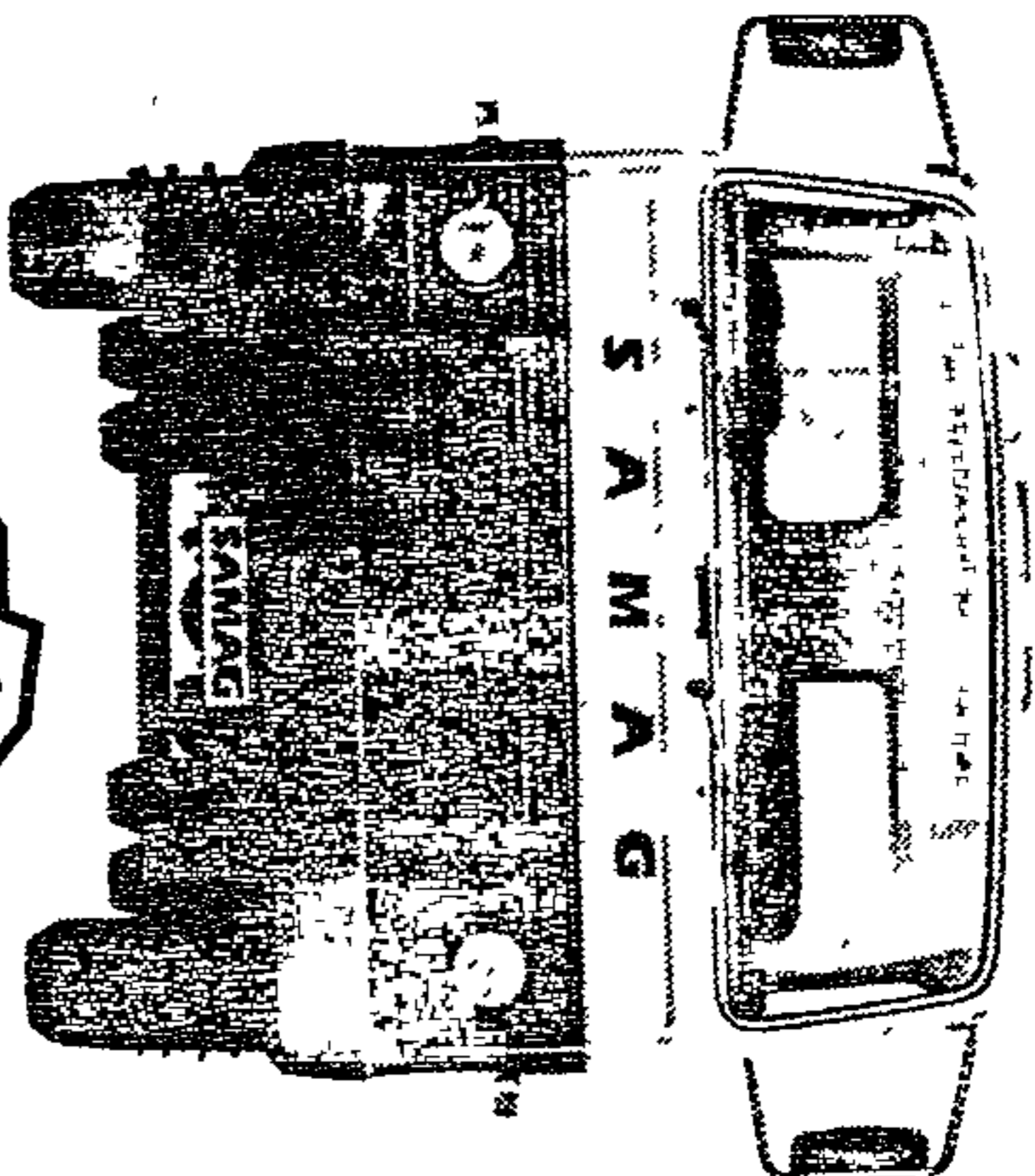
S. Truies
8/5/83

country's fighting forces.
 Check your local paper for the date the Convoy will be entering your town, or enquire at your

offices, Police Stations and Samag Dealers.



Support Convoy when it comes your way and help support our boys on the border. They deserve every cent.



SAMAG CONVOY

MAZVIS
 TRUCK CORPORATION

Union alleges unfair practices

Labour Reporter

Allegations of unfair labour practices made by a trade union against a Transvaal vehicle company will be heard by the Industrial Court next week

The union, affiliated to the Council of Unions of South Africa, is expected to produce 30 witnesses

The union's grievances against the firm include refusing to negotiate with

a representative, registered trade union, unfair dismissal of union members, interfering with worker freedom of association, making disparaging remarks about a trade union

If the union is successful in its case it could establish some of the claims as unfair labour practices

The company has declined to comment at this stage

1983

POH
9/15/83 (15/189) 192 (1/89)

A FOSATU union and a Barlow Rand company are once again at loggerheads

This time the battleground is Barlow subsidiary Premier Paper, which cancelled its recognition agreement with the Paper, Wood and Allied Workers Union after a week-long strike

Although workers have returned, the battle continues, with Premier insisting it will only negotiate with "worker representatives" and workers insisting they will only bargain through the union

The union now plans to take the matter to the industrial court

At the same time, two other disputes between Barlow companies and a Fosatu union are bubbling and a battle between the two sides could be looming

Meanwhile, Fosatu's National Automobile and Allied Workers Union has concluded a wage deal with motor firm Sigma, which seems to contrast with most other current wage negotiations

The settlement raises pay by 15% for the lowest grades and will push up Sigma's wage bill by about 13% It is also the first wage deal between the two to be settled without a dispute

Naawu says Sigma's willingness to pay this when it has announced heavy losses is "in marked contrast" with the attitude of most other employers

(13) Fawu

Commercials reel under body blows

192 Industrial Week
10/5/83
Staff Reporter

THE commercial vehicle manufacturing industry hasn't yet bottomed out of its depressed market and, judging by industry forecasts, there is currently no indication of any basis for medium and long term optimism

It is no exaggeration to say that the industry is reeling under severe blows to its manufacturing base, pricing structures, and local content burdens

Confusion has revealed sharp difference of opinion on market recovery, to the extent that the official body of manufacturers, the South African Association of Automobile Manufacturers of South Africa (Naamsa) is unable to report any meaningful expectation, in either the medium or long term

Naamsa met in Port Elizabeth for its annual meeting last week when it confirmed the previously reported adjustment downwards - from 18 645 heavy commercials to between 15 000 and 16 000 - for this year

No change was suggested on the 21 130 units for next year, or the 23 280 trucks sales predicted for 1985. Naamsa does, however, give firm indication that over the decade sales should average 'approximately 3% a year'

Computing yearly sales on this basis depends on the base year which one chooses, but taking this year's original, and optimistic projection of 18 645 units, produces a total by 1990 of 22 930 sales, less than the figure 'currently expected by 1985'

The conclusion to be drawn is that truck operators are going to enjoy a buyer's market for some years yet

The upturn is expected

to be accompanied by continued price discounting, even among the market leaders. This will not, however, encourage a rush by operators into new acquisitions

There will, instead, be a protracted battle for survival by those having only small market shares, say industry observers, in an economy where price discounting will have little or no effect on industry totals

Already there have been rumours of pending shutdown of heavy commercial vehicle assembly lines. Two recently reported - and denied - are Mack and Oshkosh

Mack volumes are at rock bottom and, say observers, are insufficient to defray the extensive re-engineering costs involved in bringing such highly specialised American vehicles into line with the new South African, ADE-based specification

Oshkosh is the other rumoured casualty, although volumes and

market share are still reasonably respectable. An interesting aspect in this case is that half of Oshkosh production at its Paarl factory, in the Cape, is devoted to outside work

Frank Bartos, MD of Oshkosh is also MD of Wrightec, manufacturers of earthmoving machinery

Both are in the Barlow Group which collectively should be able to support Oshkosh long enough for it to weather the market downturn

This is assuming that the market, on recovery, will be a good bit more buoyant and viable than Naamsa's predictions tend to suggest, and only time will tell

Should price differentials become a minimal consideration, then buyers will predictably go for trucks having the best pedigrees, back up services and prospects for market survival

Few outsiders are expected to reach the finishing post in such a race

A

HEAVY VEHICLES 1

Leyland's loss

192

FM 13/5/83

Putco's latest order of 200 Victory 2 buses must be a disappointment for Leyland. The buses are to be fitted with imported Voith automatic gearboxes instead of the locally assembled semi-automatic version supplied by Leyland affiliate Self-Changing Gearboxes (SCG).

Since November the Voith equipment has carried customs duty of 5% and excise duty of R3,50/kg to protect the SCG operation. To this is added a further 20% duty on the wholesale value of the complete vehicle chassis if it is not equipped with locally produced engines, gearboxes and axles.

Putco's manager of engineering, Bob Bylett, says "We have used SCG semi-automatics in the past but our requirements are now different because we have started using ADE engines.

"The ADE 407 engine has a high rate of tickover which, with a semi-automatic gearbox, induces creep. This is undesirable and explains why we have gone for the fully automatic Voith.

"The semi-automatic can be converted into a fully automatic, but this involves some very sophisticated electronics which we would not choose to introduce at fleet

level because of maintenance considerations."

ADE is understood to have promised to investigate the tickover problem on buses fitted with semi-automatics, but there is no guarantee that Putco will switch back even if it is resolved.

Another possible inducement for Putco to use Voith is the fact that this franchise was recently taken over by VOMS, a wholly-owned Putco subsidiary. In times past Leyland could have used its 49% stake in Putco to protect its interest. But it lost this holding in 1971 to the Carleo family which now holds 54% of the shares.

SCG could be hard-pressed to make ends meet without Putco's business. Of current total commercial vehicle sales of 22 000/year, buses of all types account for only 16% or 3 520 units. Of these, automatic or semi-automatic gearboxes are usually fitted only to buses used in urban areas.

The question inevitably arises "Is it really necessary to protect a capital-intensive local manufacturer which supplies such a small market?"

Bus builders complain further that the protection covers fully automatic and semi-automatic boxes, while SCG produces only semi-automatic models. They add that the manufacturing process for the protected items is limited largely to the assembly of imported components.

HEAVY VEHICLES 2

Reverse decision

192

FM 13/5/83

Last week the FM reported on a minor breakthrough for two truck manufacturers who won the right to fit their vehicles with

engines of their own choice. Despite the objections of Atlantis Diesel Engines (ADE), the Board of Trade and Industries (BTI) gave Foden and ERF permits to import Cummins (260 kW) and (300 kW) diesel engines with only minimal duty payments.

A few days later the permits were withdrawn.

Reason for the about-face? BTI says it received objections from ADE. And it adds that the partial duty rebates it granted are not provided for within the current import tariff structure.

But ADE's objections have been known for months. The industry is now speculating that the board was overruled by the Minister of Industries, Commerce and Tourism, Dawie de Villiers, after behind-the-scenes lobbying from ADE. Predictably, the parties concerned are keeping mum.

From this ruling, it also appears that full protection will be given to ADE's V8 and V10 engines which still have a high imported content, until now it was thought that other engine makes in the same power category would qualify for partial rebate

duties.

But ADE still faces competition from the imported 280 kW Cummins engine which may still be imported. It is 45 kW more powerful than the ADE 407 T and 422 T which makes it a highly attractive proposition on power and price.

However, the expectation is that if this engine hits ADE too hard, its permits will be withdrawn. Import permits may be withdrawn at any time and truck manufacturers who use imported engines will be treading a dangerous path in future.

The picture might become clearer after the industry comments on a circular the BTI is sending out this week. It lists all trucks planned for local production and also has a "black list" of trucks for which ADE and Astas, the local gearbox manufacturer, recommend that no duty rebate be given.

A slap in the wallet

The consumer seldom has the opportunity to compare prices of goods from our own protected industries with those from overseas. So the case of the Daihatsu Charade imports is particularly topical. It demonstrates only too clearly that South Africans are paying a heavy premium for the privilege of local car manufacture, not only on price but also in limited access to new technology.

Some 4 000 fully-built Charade motor cars have been imported by Alfa-Romeo SA from Japan to sell here at between R6 500 and R7 400. In April, their first month on the market, they performed creditably, achieving sales of 563 units and outselling some established models in this price bracket.

This would not be worthy of special attention but for the fact that the Daihatsu Charades, like all imported cars, carry total import duties of 105%. Without these penalties, they could be sold locally at well below R4 000 each — or more than R2 000 below the price of the cheapest SA-made car.

Even with the present duties, some members of the motor industry are concerned at the threat from a new generation of cheap imports. One industry source says that cars such as the Mitsubishi Minicar, Subaru Rex, Suzuki Front and Servo models and Toyota Starlight could all sell here at prices similar to the Charade's.

Approaches have been made to government to increase protection against low-priced imports. Some have suggested that

the duties be raised to 200%, some that it be calculated on a mass basis and some that a minimum duty of R10 000 be payable on all imported vehicles

But any of these measures would be contrary to the free trade principles of the General Agreement on Tariffs and Trade (Gatt) which government is now trying to follow. They would go against government's expressed policy, endorsed by the report of the Kleu commission, to encourage competition and moderate protection against imports.

They would also nullify the effect of the recent removal of quantitative import control on motor vehicles, a move taken by the authorities in deference to the requirements of Gatt.

If government takes further measures to restrict car imports, it will be in the embarrassing position of having reversed a course it embarked on with much fanfare. If it does not, there could be serious trouble for certain sectors of the motor industry whose investment decisions were influenced by promises of adequate protection.

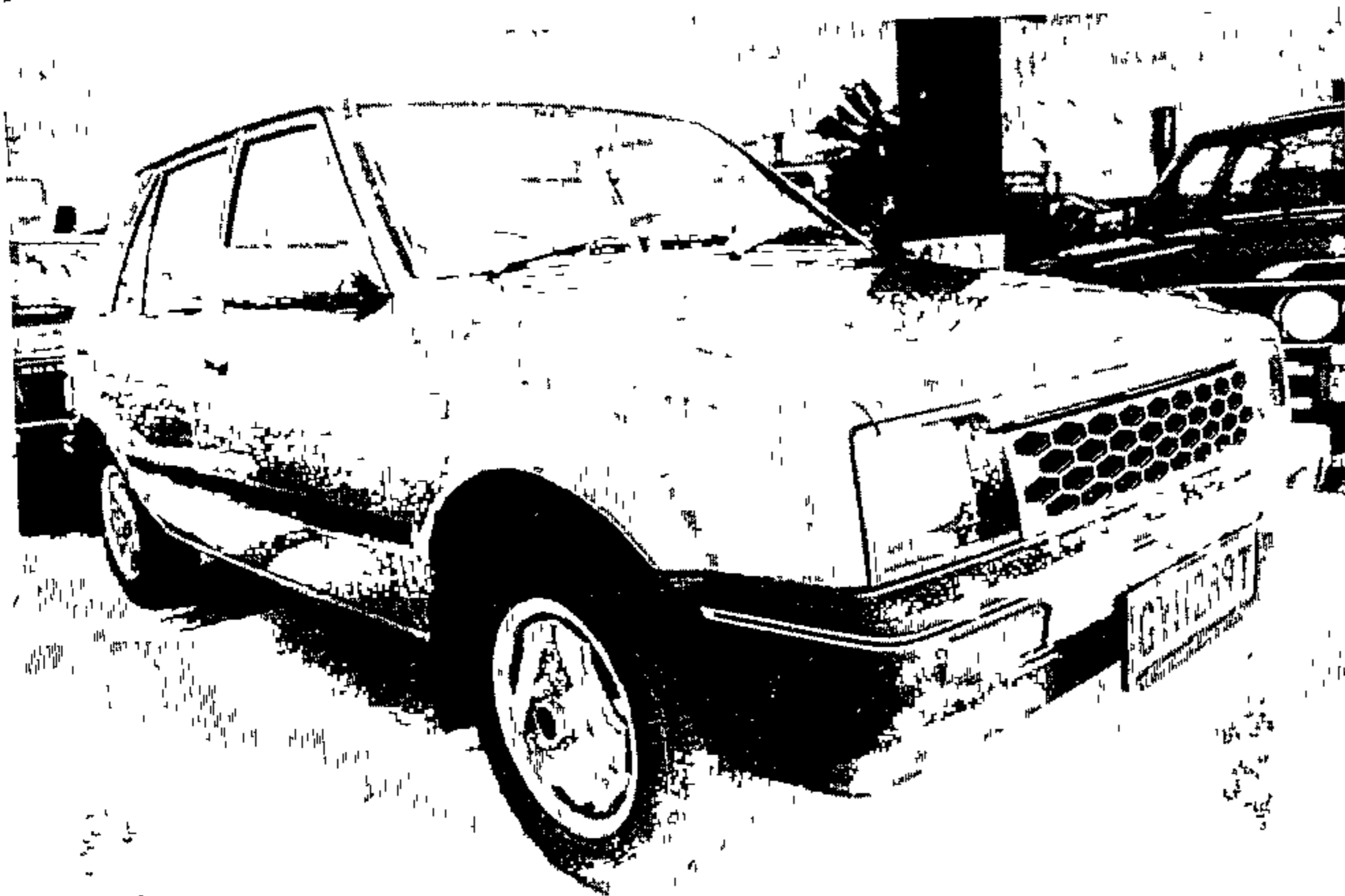
Of course, at the time they could not have foreseen the advances of present-day technology. But restructuring protection measures for their continued prosperity will deny the market this expertise.

The motor industry could be divided on the issue. Those who do not have access to the new cheap cars, naturally want them kept out. But those who do may be tempted to pay the duties and import from their overseas affiliates as a cheaper alternative

to manufacturing locally.

But in the end, the suspicion is that even these manufacturers will capitulate and go for greater protection. After all, it is safer to manufacture an expensive product in a protected, captive market than to compete with a cheaper, better product against all-comers.

Alfa-Romeo has been at pains to point out that its imports were merely designed to test the market prior to local manufacture. Not surprisingly, in the circumstances, it has hinted that Charade prices are likely to go up.



Daihatsu Charade ... exposing the cost of protection

Uitenhage axle plant: R17m expansion

192 E-post 14/5/83

UITENHAGE-based axle manufacturer Borg-Warner has embarked on a R17 million expansion programme with the promise of providing another 600 jobs for the local motor industry towards the end of the decade

Some R8 million of the capital programme has already been invested in order to

- Buy Sigma's axle plant and ship it from the Reef to the Eastern Cape

- Introduce a multi-million rand hypoid gear manufacturing facility

- Build a new company training centre

- Upgrade the existing ablation facilities for the 690 workers currently employed at the plant

Group personnel manager Mr Ron McLuckie emphasises in this regard that B-W, being an equal-opportunity company which has prided itself on escaping the worst effects of industrial unrest, the ablation facilities, like the company canteen, are fully integrated

Borg-Warner's investment has clearly struck a positive note for the development of the motor industry in the Eastern Cape by

- Taking over production from the Reef and "exporting" axles back to its big market

- Bravely boosting output from 166 000 rear-axle sets to 200 000 despite the advent of front-wheel drive cars

Yet to come during the course of the next 24 months, says managing director Mr Harry Marston, is a further R8 million expansion in additional hypoid equipment and a new plant for the first-time manufacture of larger medium-sized commercial truck axles and also right-angled agricultural gearboxes

Incorporated in the South African design of the medium axle is a novel differential locking device which will make the axle suitable for use in four-wheel-drive vehicles

Finally, there's a vote of confidence for the future diversification of the plant into the manufacture of gearboxes a sum of R1 mil-



By Louis Beckerling
Business Editor

lion has been approved for the production of a prototype suitable for SA conditions by Borg-Warner's Australian parent

At least some of the development work is being carried out by Borg-Warner engineers in Uitenhage

"The manufacture of the gearbox is included in our strategic planning, has been approved by our board, and we are spending R1 million to get it off the ground — towards the end of the decade we should have a new plant installed and turning out such gearboxes for the first time in South Africa," says Mr Marston

The result will be a virtual doubling of Borg Warner's existing workforce

The axle manufacturer was established in Uitenhage in 1967 and at the time was 60% controlled by its US parent, Borg-Warner Corporation, a multi-national company participating in eight major markets transportation, construction, consumer products, machinery, agricultural equipment, energy, and financial and protective services Borg-Warner has about 50 major divisions in 20 countries on six continents.

The remaining 40% shareholding was split between GKN (SA), part of Britain's Guest Keen Nettleford group, and SA-listed company Anglovaal

In 1979 ownership switched to Borg-Warner (Australia) Ltd, which in turn is 72% controlled from the United States, but for reasons of commonality of interests the administration was surrendered to a

country also conducting its own local-content programme, according to Mr Marston

When the South African company began its operations in 1967 it was the only axle manufacturer in the country and launched operations with a potential capacity of 75 000 axle assemblies and a two-company client list — Ford and General Motors

The key to the R3 million capital invested at the time was the increasing tempo of local content and the assurance that manufacturers would have to switch from imports to a locally-manufactured product

"Also," emphasises B-W treasurer Mr Bob Holcombe, "a confidence in South Africa generally"

What impact did the switchover have on prices?

"At the time the quality of the product was such that when local manufacturers heard we were going to manufacture in South Africa they were delighted," said Mr Marston

"In the local content programme there are one or two products that are a shining example of success, and rear axles are one of them

"We can provide great commonality of parts (Borg-Warner today supplies a long list of manufacturers with the same product), and therefore one tooling bill as opposed to perhaps three of four different tooling bills"

While reluctant to detail price differentials, Mr Marston believes the SA-made product is competitively priced with foreign imports — bearing in mind should a manufacturer import an axle for a passenger vehicle he would have to pay a 25% duty and would,

in addition, lose the cash rebate awarded for local content

In 1969 Chrysler opened an axle-manufacturing plant on the Reef, but new owners Sigma sold it to Borg-Warner last year

That part of the plant incorporated into B-W's operation "did eliminate bottlenecks and enable us to expand our capacity from 80 000 sets per annum to 120 000", says Mr Marston

In the past three years Borg-Warner, he says, has more than doubled output while making a large number of technical improvements to the product as well

For the non-technically-minded the pinions and ring gears which form the heart of the hypoid axle are forged in the the nearby Dorbyl forging plant, and the housings are cast by Ferroform at their Port Elizabeth plant

The machining and "carburing" (for additional strength) is carried out by computer-controlled equipment at B-W, as is the cutting of the gear teeth

In the hypoid axle, pin and wheel are off-centre with the result that the teeth must be cut at crucially matched angles in order to smoothly transfer drive to the half-shafts

Each of the key elements is therefore hand- and machine-checked and matched, and this matched pair is then built into the final product

Benefits of the system are a marginal reduction in price, a better-quality axle, and, as a result of the substitution of the imported components, an additional three to five kilograms of locally-produced mass, qualifying for additional cash rebates

Cummins' import permits stopped

17/5/83 (192) (24) Industrial week

IMPORT permits granted to truck manufacturers wanting to fit imported Cummins 350 HP (260 kW) engines in their heavy commercial vehicles have had them withdrawn

This astonishing about-face came from the Board of Trade (BOT) this week in the form of a denial that the approval of permits had, in fact, been confirmed by telex, with only 'marginal duty payable by the truck manufacturer

The permits, "though approved, were frozen some weeks ago," said a BOT spokesman

He told Industrial

Staff Reporter

Week "We make recommendations to the Department of Industries and they in turn make recommendations to the Minister, who takes the final decision on which trucks and engines are to be rebated

"The Cummins 350 HP engines were originally approved, and then frozen on objections by Atlantis Diesel Engines (ADE) who complained that the Cummins competed with its 407 TI engine and consequently, the V8 as well

"These permits were subsequently not confirm-

ed which effectively meant that they were withdrawn

"The big 400 HP (300 kW) Cummins engine has, however, been confirmed to the truck manufacturers by telex. Another difficulty in respect of the 350 HP model is that there is no provision in the duty for partial duties to be levied

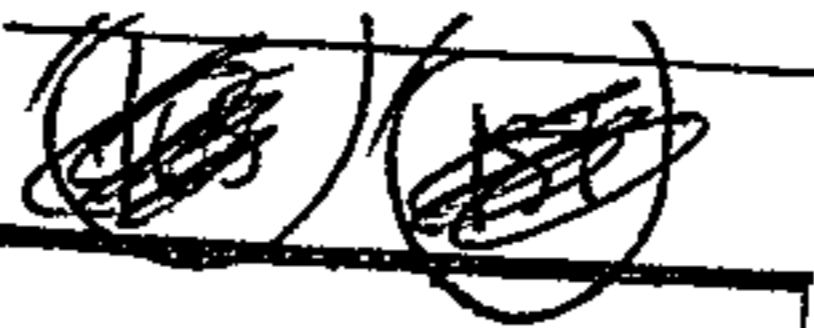
"There seems to have been some confusion somewhere along the line, but the 350 Cummins is definitely not receiving import approval," said the BOT spokesman

Strong objections raised by ADE to the importation of any 350 HP engine is well known, suggesting that the BOT's original recommendation has been rescinded, perhaps at Ministerial level

The freezing, and then withdrawal of the permits, supports this view and underlines another issue

Permits, although granted and confirmed can still be withdrawn - at any time

The only guarantee a manufacturer will have for long term availability of engines, will in future be to fit ADE types



17 MAY 1983

Company quits labour court case

~~192~~
192

Jan Labour Reporter

In a surprise move, counsel for an East Rand truck manufacturing firm yesterday withdrew from an Industrial Court case in Pretoria

The United African Motor Workers Union, an affiliate of the Council of Unions of South Africa, took the management of Fodens to the court on 35 counts of alleged unfair labour practices

However, after making undertakings for a settlement, the company withdrew from the case when counsel for the union refused to accept the undertakings

The principal claims made by the union were that disparaging remarks were made about workers and the union by management, union members were unfairly dismissed, and that the company refused to discuss recognition with a representative trade union

Yesterday's case brought the plant to a standstill as many of the workers were present at the court

A spokesman for the company said they were awaiting the court's decision on their offer of a negotiated settlement

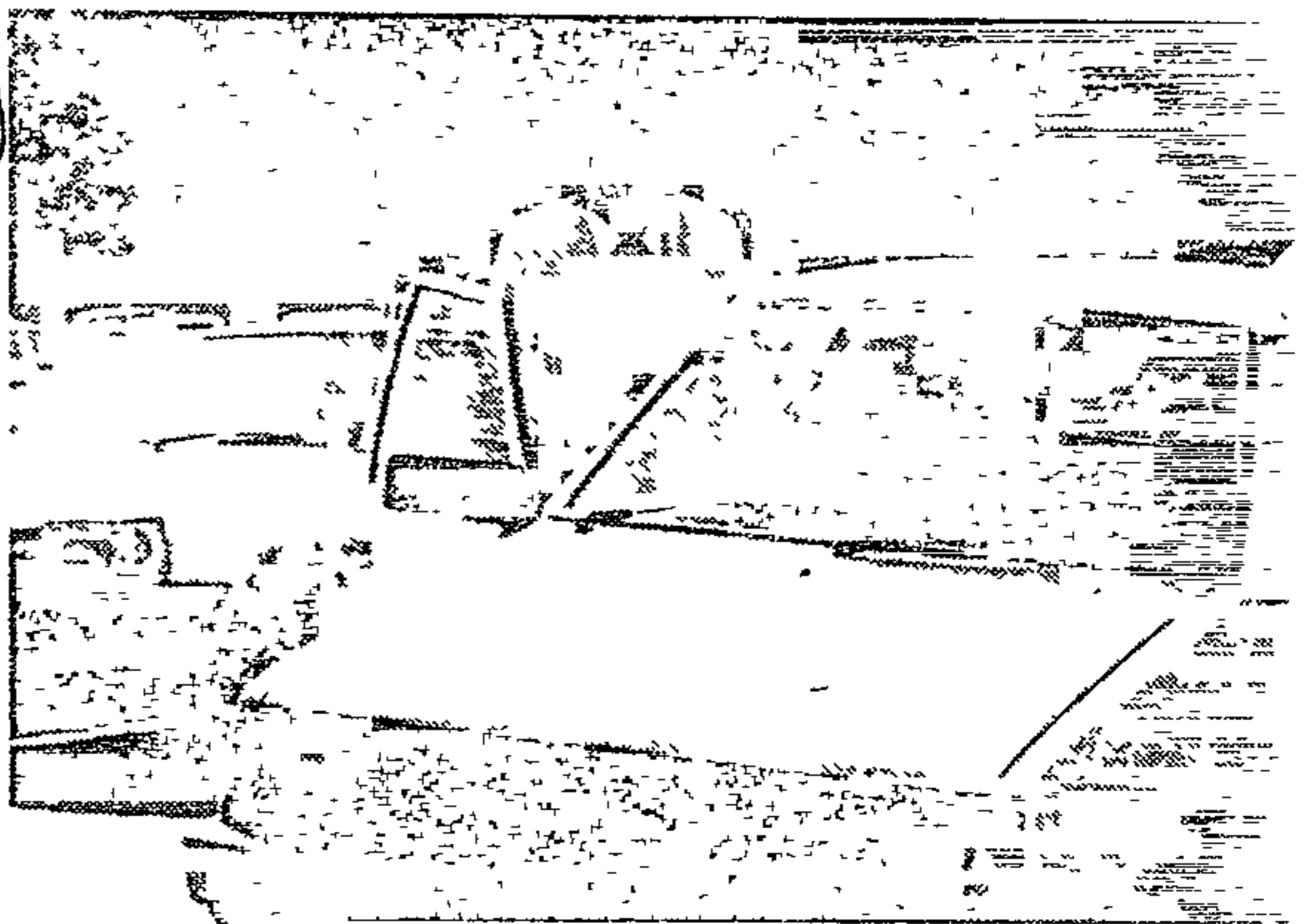
ALFA ROMEO

IN CAR WAR

Industrial week

192
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17/5/83



A Japanese-assembled Charade ... the cause of much discontent among local manufacturers.

By Lynn Carlisle

TOUGH measures to prevent the "large scale" importation of passenger cars are being urgently sought by most vehicle manufacturers annoyed at Alfa Romeo having staged a coup for shipments of 4 000 new cars from Japan.

Crackdown appeals to Government include the suggestion that import duty be increased from 100 to an incredible 200% following claims that Alfa has taken unfair advantage of import

allowances and the Local Content programme (LC), in a slumping local car sales market

Strong representations have been made to Dr Dawie de Villiers by manufacturers and the MP for Uitenhage, Dawie le Roux, but reac

tion from the National Association of Automobile Manufacturers (Naamsa) which could find itself in a cleft-stick over the dispute, is needed for any deliberation

With some shipments of the Japanese-made Daihatsu Charade already landed and others to be shipped at 500 a month, Alfa has labelled as sour grapes" claims that it had "cynically abused" its ability to import cars

"The bleat started at Eastern Cape plants which manufacture 4000 cars in one month We have not had a new car launch for three years," said Roger McCleery, marketing manager at Alfa Romeo's Brits

plant

He said the imported three-cylinder cars would test local demand before Alfa began local production of the Charade in September

Believe to involve a R12-million investment, McCleery said this would create employment opportunities after Alfa had laid off about 10% of its work force and had to resort to a four-day week at times

A spokesman at the Volkswagen plant said the Charade, selling "cheaply" for about R6 500, would flood the market and be in direct competition with all other small vehicles which mostly cost more to manufacture in SA

"We also estimated

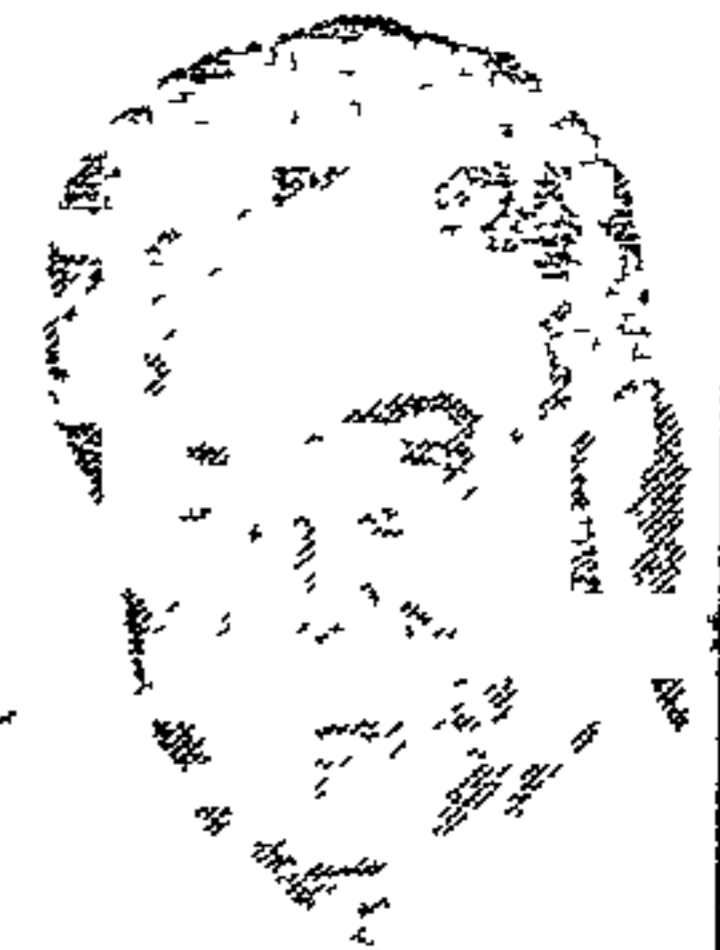
that the local manufacture of 4 000 units would keep nearly 1 500 workers employed for a year Therefore we have asked the Minister of Industries to plug this loophole in the LC Regulations or change the import duty system" he said

Leyland MD Dave Beck said provision was made in 1981 for the importation of the more expensive exotics, such as Jaguars

"Alfa's imports represents a complete departure from 1981 regulations, and can be regarded as something of a cynical abuse, making a mockery of the LC programme"

Beck said Alfa was "bragging" about taking

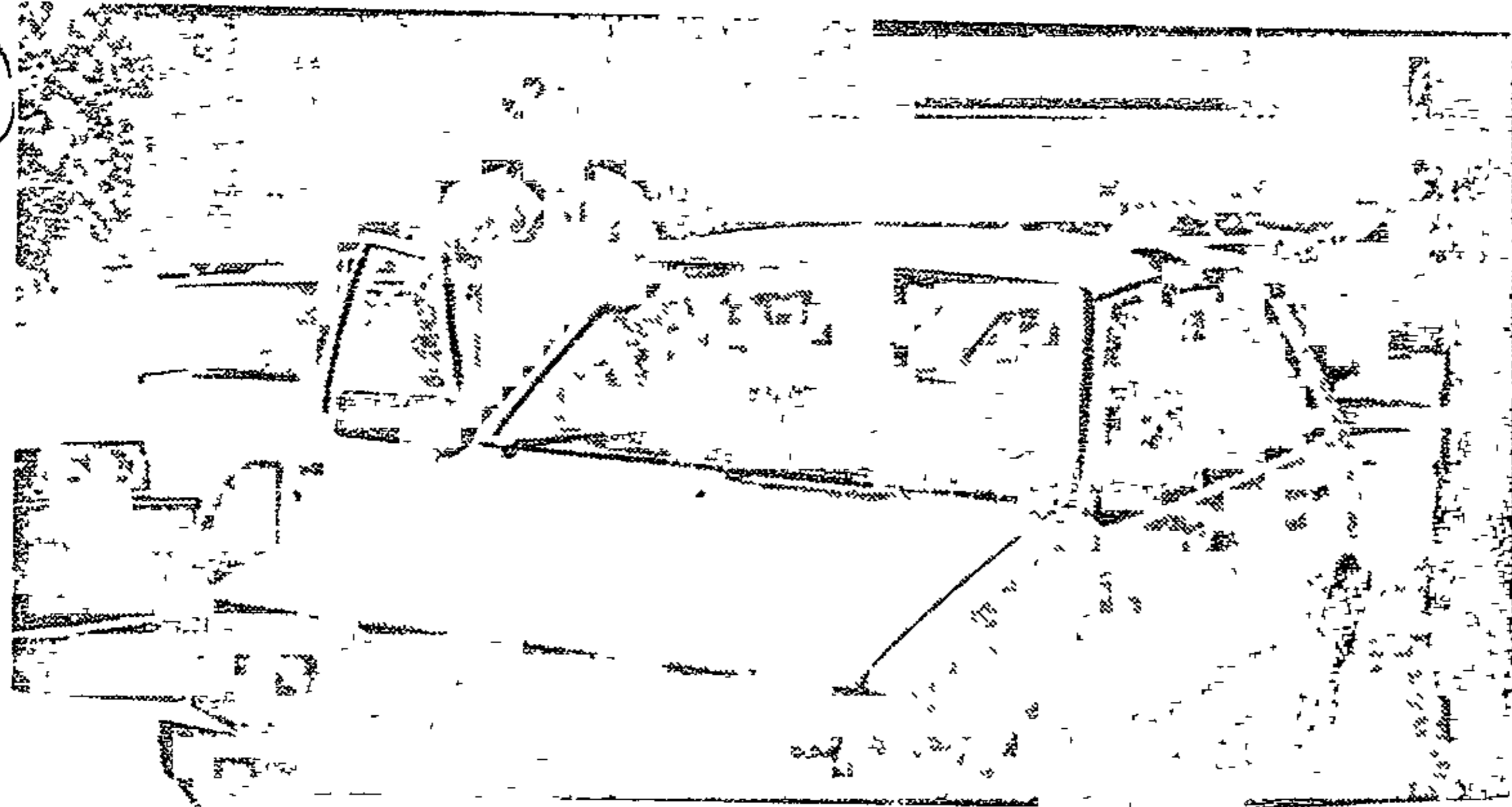
ALFA ROMEO



Dr Vito Bianco staged coup



David Beck cynical abuse



A Japanese-assembled Charade... the cause of much discontent among local manufacturers.

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"Alfa's imports represents a complete departure from 1981 regulations and can be regarded as something of a cynical abuse, making a mockery of the LC programme"

Beck said Alfa was "bragging" about taking

sales away from Renault and other small car manufacturers and this would adversely affect local assembly and supplier plants to the advantage of Daihatsu overseas

General Motors MD Lou Wilking said that if Alfa imports Charades with legal (Government) approval under the LC rules then the venture is not questionable

"What is questionable is the fact that yet another motor vehicle manufacturer enters an already crowded and small South African market" Wilking added

John Dill, director of Parts at the Ford plant, said he agreed with Naamsa that there be a re-imposition of import

permit control on all new units

"We believe the importation of such large numbers of these units (Charades) could be detrimental to the local and components industry," said Dill

But Naamsa finds itself in a delicate situation in view of Alfa's intention to start local production of the Charade

MP for Uitenhage, Dawie le Roux told Industrial Week that he had spoken to Dr De Villiers who had undertaken to advise the Board of Trade on the motivation of the other car plants "as a matter of urgency"

"Alfa's action does not appear to have been in the right spirit of the LC programme But the Minister has to await advice from the Board after Naamsa has reacted," said Le Roux

Motor firm appears to want Govt to show its hand

By LOUIS BECKERLING
Business Editor

VOLKSWAGEN's cards — in the form of a proposed R200 million investment announced in March — are on the table. In a memo leaked this week to the Press it appears the Uitenhage motor manufacturer is now asking the Government to show its hand.

The memo, addressed to the chairman of the Decentralisation Board, Mr Doug de Beer, spells out the inadequacies of incentives granted to Eastern Cape motor manufacturers in

blunt terms:

● In the absence of any subsidy on imports (from the Reef) of raw materials, this leg of the transport bill faced by Eastern Cape manufacturers is R21 a vehicle higher than that paid by its competitors in the Transvaal

● Notwithstanding a 20% subsidy granted on the export leg of the transport journey, local manufacturers face a bill that is R44 higher a vehicle than their Transvaal counterparts.

● Though the wage differential between the Reef

and the Eastern Cape has narrowed in recent years, the "big-three" nonetheless pay some 8% more to their workers on average — translating into an added cost of R35 a vehicle.

The combined effect of these penalties is to add R100 to the price of each car relative to the cost of producing a car on the Reef, and averaged out over a total production of some 60 000 vehicles, that works out to a bill for the industry of an extra R6 million, points out the memorandum.

These details were published yesterday after a copy of the memo was apparently leaked in Cape Town. Disclosure of the contents has embarrassed Volkswagen because the memo has not yet been debated by the board, and a company spokesman said today that at this stage it therefore remained a private communication with the board.

Industrialists in the Port Elizabeth/Uitenhage metropolitan area currently benefit from three incentives granted in April last

year in terms of the Government's decentralisation programme, a 25% subsidy on rail tariffs for exported goods; a 125% cash allowance for approved training schemes; and a subsidy on electricity which has the effect of reducing tariffs to those faced by consumers in the Eastern Transvaal

By contrast East London industrialists who qualify get 80% of their annual wage bill repaid in a cash grant and a 60% subsidy on rail tariffs

Adding to the unhappi-

ness of PE/Uitenhage industrialists, who clearly feel they are being hamstrung in the race for regional growth, is the history behind the current incentives — originally declared a metropolitan area with an established infrastructure capable of generating its own economic growth, local industrialists in 1979 were faced with the prospect of no benefits at all.

Now Volkswagen has taken the battle a step further, and according to this week's reports, calls for:

● Rail tariff subsidies

of "at least 40%".

● Rebates on wage bills (the amount is not indicated).

● A relocation allowance for the establishment of new industry

● Tender preference of between 5% and 10%.

Mr Louis Koeh, chairman of the Regional Development Advisory Committee, said his committee would undoubtedly receive a copy of the memo for consideration. As he had not yet had an opportunity to study the memo, he was not in a position to comment.

SOWETAN 20/5/83
Motor workers' indaba
(192)

A FIVE-MONTH-OLD dispute between the powerful National Automobile and Allied Workers' Union (Naawu) and Alfa Romeo Motor firm over the dismissal of the union members and activists has been the subject of discussion in

Rome, Italy, this week. The general secretary of the Motor Workers' Union, Mr Freddie Sauls, who is based in Port Elizabeth, told The SOWETAN yesterday that a meeting took place in Rome on Monday between Alfa Romeo management, Naawu, the Italian Metal Workers' Federation (FLM) and the International Metal Workers' Federation (IMWF).

SA union dispute settled in Rome

Labour Reporter

The union's general secretary, Mr Fred Sauls,

The National Automobile and Allied Workers' Union (Naawu) this week won recognition at two Alfa Romeo depots in Johannesburg after an agreement made in Rome

said the agreement was the result of pressure on local management by Alfa's head office in Rome, and the International and Italian metalworkers' federations

Naawu had taken the car firm to the industrial court with allegations of unfair dismissals and refusal to negotiate

"The agreement is important because the company has now clarified its stance towards unions and will allow union recruitment," he said

But in Rome on Monday Naawu reached an agreement with the South African management of Alfa on recognition and on the reinstatement of dismissed workers

The Rome agreement noted that the industrial court case against Alfa would be dropped, but Mr Sauls said Naawu had yet to discuss the issue

Alfa's dispute with union ends in Rome

By STEVEN FRIEDMAN
Labour Correspondent

IN AN unusual move, a dispute between the motor company Alfa Romeo and a local union has been settled — at a meeting in Rome

As a result of the settlement, the National Automobile and Allied Workers Union (Naawu) has won recognition at two of Alfa's Transvaal depots and the reinstatement of three union leaders retrenched by the company, according to a union statement released yesterday

In return, Naawu will drop its current industrial court action against Alfa

The Rome settlement followed intervention on Naawu's behalf by the Italian Metal Workers Federation, the FLM, and the powerful International Metalworkers Federation, of which Naawu is a member

The meeting which led to the settlement took place on Monday and was attended by representatives of both the FLM and the IMF, as well as Alfa's South African chairman Dr Vito Bianco, and Naawu organiser Mr Taffy Adler

The settlement was signed in Rome by Dr Bianco and Mr Adler

In a statement yesterday, Mr Fred Sauls, Naawu's general secretary, welcomed the outcome and "the spirit in which the agreement was reached"

Mr Sauls said it was "clear" that "the only way to counter the power of the multinational corporations is to establish close links such as those which exist between the unions of the Italian metalworkers and Naawu"

He said this would "prevent the companies playing workers in another country off against workers in South Africa"

An Alfa spokesman said the company would not be in a position to comment until its representatives at the Rome meeting returned to South Africa

The dispute between Alfa and Naawu arose when the company refused to recognise the union at its Wynberg depot. The union claims it then "foisted" a works council on workers against their will, but Alfa denied this

The company also denied a charge by Naawu that 16 workers at the depot were retrenched in an attempt to "victimise" worker leaders

According to the Naawu statement, the company agreed at the Rome meeting to recognise Naawu at its Wynberg and Tulusa Park depots

"The company confirms it is not against unions in general and Naawu in particular and will not interfere in any of the union's actions at its plant in Brits and will assist in discussions with workers there"

Alfa had also agreed to reinstate a worker leader, Mr Thomas Mathole, who had been retrenched

Two other union leaders at the plant, Mr Lazarus Ngoepe and Mr Hendrick Poo, would be offered temporary work with the undertaking that they would be taken on permanently if business improved, Mr Sauls said.

It is understood that the retrenchment of the other 13 workers may be taken up later

INCENTIVES FM 20/5/85 (192)
VW wants more

After committing itself to a R200m expansion plan at its Uitenhage plant in March, Volkswagen is now pressuring government on its decentralisation incentives

In a memo to the Decentralisation Board which fell into the hands of the press this week, it spells out the inadequacies of incentives to eastern Cape motor manufacturers

Transport costs on materials and com-

ponents from the Reef are R21/vehicle higher in the eastern Cape than in the Transvaal,

Notwithstanding a 20% subsidy granted on the transport of finished vehicles, the cost is still R44 higher per vehicle than in the Transvaal, and

Though the wage differential between the Reef and the eastern Cape has narrowed in recent years, the "Big Three" nonetheless pay some 8% more to their workers on average — translating into an added cost of R35/vehicle

These penalties add R100 to the price of each car or R6m on a total of 60 000 vehicles

The memo calls for

Rail tariff subsidies of at least 40%,

Rebates on wage bills,

A relocation allowance for the establishment of new industry, and

Tender preference of between 5% and 10%

A VW spokesman says the memo was leaked in Cape Town and still remains a private communication as it has not yet been debated by the board

Industrialists in the Port Elizabeth/Uitenhage metropolitan were granted three decentralisation incentives in April last year: a 25% subsidy on rail tariffs for exported goods, a 125% cash allowance for approved training schemes, and a subsidy on electricity which brings rates in line with those of the eastern Transvaal

These were given only after protest from the locals as Port Elizabeth originally qualified for no benefits at all. In 1979 it was declared a metropolitan area with an established infrastructure capable of generating its own economic growth.

By contrast, qualifying industrialists in East London get 80% of their annual wage bill repaid as a non-taxable cash grant for seven years (subject to a maximum of R100/worker), and a 60% subsidy on rail tariffs

(192) 4 Times 22/5/83
Sigma extends in PE

SIGMA Motor Corporation expects to take on about 150 more people at its Port Elizabeth truck plant

The Pretoria-based company's decision to move assembly of two vehicle lines from the Highveld now concentrates its output of light, medium and heavy trucks in a region that has felt the brunt of the present economic downturn

Production of the Mazda T Series and Mitsubishi Canter

join Sigma's Mitsubishi and Mack heavy trucks at Markham Industrial Area while light commercial manufacture will continue at Sigma Park.

The company has formed a separate truck and bus division, assembly tooling and equipment is being relocated from the Transvaal to the Eastern Cape and improvement and upgrading of the Markham plant will give higher production volumes

Gearing up for SA-made boxes

22/5/83 192 S. Times

GREAT confusion reigns among South African truck manufacturers about what the Government will do to try to stem the flow of imported transmission components and encourage local production.

The industry is awaiting Government decisions on future import penalties on gearboxes and axles following the interim imposition of increased duties and tariffs in December.

At present there is virtually a free market in axles, despite the duty on

mass imposed in December of R1,65 per kilogram on vehicles with engines bigger than nine litres

This is not affecting most manufacturers seriously as they are able to claim rebates until future policy is clarified

That could be good news for the three approved local axle manufacturers, although their future investment plans are being delayed until the situation clarifies

The protection for local gearboxes has also gone up with a customs duty of 5% and an excise tariff of R385 less 31c per kilogram on imported manual boxes and a R3,50 per kilogram tariff on

imported automatic and semi-automatic boxes

Here also truck manufacturers are able to claim rebates, although there are indications that the conditions for these are being tightened up

Government policy in the future could be influenced by trends overseas

These indicate changing user preferences and a move away from the constant mesh types of box to synchromesh — which their proponents say offer fuel saving and safety advantages

(The ability of even an inexperienced driver to find a lower gear can reduce the consequences of the "runaway" type of accidents)

There is also a strong trend towards giving truck operators a wider choice of gear ratios with smaller steps between the gears, which is particularly important in the over 20-ton category

For example, several large South African fleets are reporting impressive results in their evaluation of the ZF-Ecosplit box, developed in Germany and licensed for local production

It exploits the fact that large diesel engines only operate at maximum efficiency within a very small range of revolutions To cut fuel consumption and still maintain journey times and keep up with the traffic flow, drivers must change gear frequently

This becomes very difficult if the steps between the gear ratios are large, so that engine revolutions are lost between changes and fall either side of the narrow most efficient power range

Important

This can become a particular problem on the increasingly popular turbocharged engines which have an important role in South Africa's high altitude areas

If a turbocharged engine falls too far down its torque curve, considerable pulling power is sacrificed

The splitter concept enables a normal eight-ratio truck gearbox to be divided into two ranges, giving a total of 16 ratios with consequent maintenance of efficient engine power

The concept has enabled ZF to greatly increase its penetration at the heavy end of the truck market in Europe, and the availability of the same advanced technology from local licensees ASTAS could be significant in future policy on local gearbox manufacturing

How can Govt stem flow of imports?

However, other truck manufacturers and truck gearbox specialists overseas also have important technological improvements on the way and strong lobbying is anticipated from their local affiliates to keep the South African market open

That poses a major problem for the Government — and commerce — because of doubts whether the South African market is big enough to support two or more local manufacturers

Monopoly

If the restrictions on imported gearboxes get tighter and it is not considered viable for another company to mount a local challenge to ASTAS, a monopoly would be created

The arguments for and against are raging fiercely. The policy which led to the establishment of ASTAS and ADE had as a basic concept that local manufacturing would provide virtually all the engine and transmission combination needs

While this is starting to prove a reality, many truckers traditionally like to specify individual drivetrain components to get a vehicle tailor-made to their requirements

Quite apart from purely practical considerations, there is a lot of brand loyalty, tradition and even emotion influencing these choices

There are also political and international trading considerations

American truck component manufacturers represent a powerful lobby

They have already lost much of their market in Brazil and South Africa because of local content programmes — in each case with German rivals stepping into favoured positions



Mack bid to grab a heavier customer

SIGMA'S big Mack marketers intend digging deeper into the heavy truck sector, with full endorsement for ADE models from the US

"Mack has been part of the SA heavy truck scene for many years and we are determined to make it even stronger contender," says Sigma bus and truck division general manager, Jim Knight

He adds: "We have been involved in a test programme for a considerable time, with a Mack R685 RST fitted with an ADE 407T engine, with a view to switching to these locally-manufactured engines"

The installation of the turbocharged ADE

unit was carried out by Mack engineers in the US and the truck was shipped back to South Africa for further demanding tests

"The Mack is a premium truck and the parent company has to be completely satisfied with the results of our tests before they will give the green light for a switch to ADE engines mated to a six-speed gearbox," Mr Knight says.

He adds: "I am very pleased with the interest being shown by fleet operators in the Mack range. A good inquiry rate is a satisfying sign in the current economic climate"

Mack has 20% of the US "heavy" market

Magnis

is now ^{22/5/83} ¹⁹² ^{S. times} poised for battle



The Samag 240-26 tipper now also available in a forward control version

Who will get the top share of the market?

AMID a hectic period of new truck model launches, the company with the country's largest manufacturing capacity in this field has now phased in all its 22 models.

Magnis Truck Corporation — an amalgam of the Messina group's truck activities — says it is now poised to do battle for a major market share, throwing its hat into the ring with such other companies as its stablemate Nissan, GM Isuzu, Leyland UCDD, Ford, Mercedes, Sigma and Hino, who are all also pitching for larger shares of the currently depressed market.

The launch phase of the Samag offensive from Magnis culminated recently with the release of the forward control models.

This now gives Samag full coverage of the 10 000 kg and over market with a range including 12 and 14-ton forward control units through to both forward and normal control cab variations in the 16 and 26-ton sectors.

Mated

Directly derived from the Samil military vehicles, they use ADE 352 and 407 engines mated to ZF or Fuller gearboxes.

The forward control Samags have the same deep profile chassis as the normal control models and are mainly distinguished by the new cab over developed by the consortium "Club of Four" European manufacturers.

Two variations of this cab

are used — a narrow one for the 12 to 14-ton vehicles and a wide cab for the 16 to 26-ton range.

Samag has taken the design of its 12 to 14-ton models from the Club of Four, aiming at the urban delivery market primarily by exploiting the light weight of the new forward control cabs to achieve maximum payload with minimum tare.

Over 16 tons the Samag range is more South African — with strong military links.

These models are aimed at long-distance hauliers, construction companies, tipping and forestry operations, farming and other heavy duty applications.

Largest

Magnis claims to be the largest truck manufacturer in South Africa because its Rosslyn plant handles Samil, Samag and Nissan trucks.

But who will emerge — in this most peculiar marketing year — as the biggest actual seller of trucks in South Africa is still uncertain, with NAAMSA and the different manufacturers having conflicting views of what is actually a truck and what should be categorised as a light commercial vehicle.

Mercedes is still the acknowledged leader in most of the truck sectors, but Leyland is coming up particularly fast with the industry's most ambitious new model programme.

A number of new models are still awaited, particularly from Japanese sourced manufacturers.

Deutz to lose truck market

SA Industrial Week
Staff Reporter

THE NET of protection surrounding Atlantis Diesel Engines is cutting off Deutz diesel engines which, except in one special instance, will no longer be fitted to trucks assembled in South Africa. They will be phased out of the truck market completely by 1985.

Deutz Diesel Power will instead concentrate its production at its Pietermaritzburg factory on industrial units and the assembly of Deutz tractors, still fitted for the time being with the famous air-cooled engines under special dispensation from the Department of Industries

Protection

Terry Burgess, MD of Deutz Diesel Power, told Industrial Week "We are not allowed to supply truck engines to the truck market. We can build them, but are not allowed to supply them, because of protection for ADE. Our previous customers will now have to fit ADE."

The loss amounts to 2,500 engines a year, which Burgess confidently anticipates will be made up by sales of industrial units - once the economy picks up.

He said "The Pietermaritzburg plant is no longer owned by Messina. It is owned by us, with a

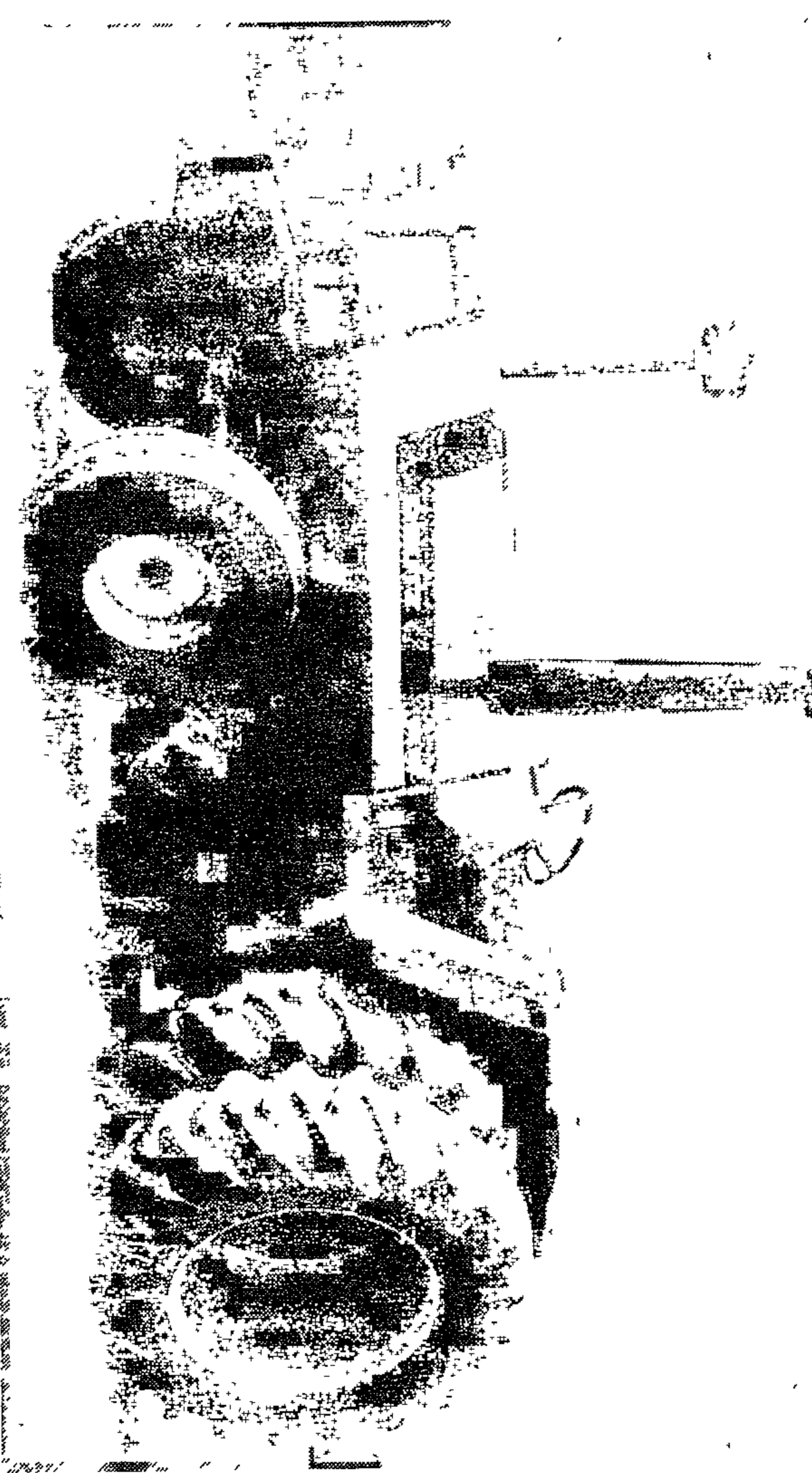
30% stake held by KHD, of Germany, and 70% by local Hudaco Industries.

"We have been running the plant since the end of last year and currently account for about 45% of the industrial engine market. We are only at 50% capacity at the Pietermaritzburg factory where we can turn out 8,000 engines a year. This compares with a total market of about 10,000 units in an average year.

"ADE accounts for about 5% of the market but is having such a huge problem with stock at the moment that it is pushing for business in the industrial market as well as truck and tractor," said Burgess.

Negotiating

Deutz Diesel Power is negotiating with the government to increase local content - currently at 55%. "We are looking at things like crankcases, which will be cast under contract and machined by ourselves. We really need



A Deutz diesel tractor - government dispensation for the use of its engine.

a stronger, assurance from the government that we will be allowed to continue in the industrial engine market," said

Burgess. Deutz engines have been made at Pietermaritzburg since 1969, but have been built locally for

30 years. It would be a pity to see them go. The most immediate question concerns the

continued production of the Deutz tractor - a high efficiency unit designed around the air-cooled concept. It might not lend

itself readily to adaptation to ADE power. There are two excise duties protecting locally produced tractors, one

amounting to 40% on the price of the complete tractor, and another 25% on engines.

Life span

A Department of Industries spokesman said "We have given Deutz a special dispensation to continue because of its long history of local production. The situation is under review as a matter of routine, and the dispensation is not permanent. The situation regarding future intentions with ADE is part of the arrangement, but there can be no doubt that there are special circumstances surrounding the case."

Intention

Heinrich Holtmann, managing director of KHD (SA) commented "Our intention is to continue to fit the Deutz engine to the tractors. I don't want to talk about alternative plans that we might or might not have. There is no reason to change our existing arrangements."

Market penetration last year for Deutz tractors was 3%, and the range covers models from 36 kW to 120 kW.

Turbo boost for Highveld tractors

ALL DEUTZ Fahr tractors over 50 kW engine power can now be fitted with altitude compensation turbochargers as a factory-installed option.

"Diesel engines," says Mr W.F. Rautenbach, director of sales and marketing for Deutz.

Corrected

"This can be corrected by means of altitude compensation - or light turbo charging - to restore sea level air pressure to the engine."

The 44 kW D6207 will not be turbo-charged but will also be compensated for altitude by modification of the fuel system to restore full rated power at altitude.



An altitude compensation turbo charger fitted to a tractor.

ENGINE PERMITS

192

FARCE

Industrial Week 31/5/83

HEAVY truck producers, thrown into confusion by the reversal of permission given by the Board of Trade (BOT) to import engines of 350 Hp (260 kW), are insisting that the Board publish the ground rules it uses in considering permit applications.

The issue is escalating into open confrontation and it looks as though the BOT might have to come clean and say how it intends to operate in the future, so that heavy truck manufacturers can plan with certainty.

Neville Cohen, chairman of the Heavy Commercial Vehicle Division of the National Association of Automobile Manufacturers of South Africa (Naamsa), told Industrial Week. "If the Board of Trade has issued permits and then withdrawn them, the BOT should make its rationale known so that the industry may know under what circumstances permits have been, or will be, issued."

"It is inconceivable that for reasons unknown to the rest of the industry, some people may, or may

not be given permission to import specific engines.

"That information must be available to everybody in the industry. Otherwise it is an iniquitous situation," he said.

Hartmut Beckurts, MD of ADE told Industrial Week. "It is our intention to go ahead with the bigger V10 engine which, although not officially accepted as a locally manufactured unit, is within the 22 litre protection granted to ADE by the Government."

"That protection remains at 22 litres and we are not budging from that."

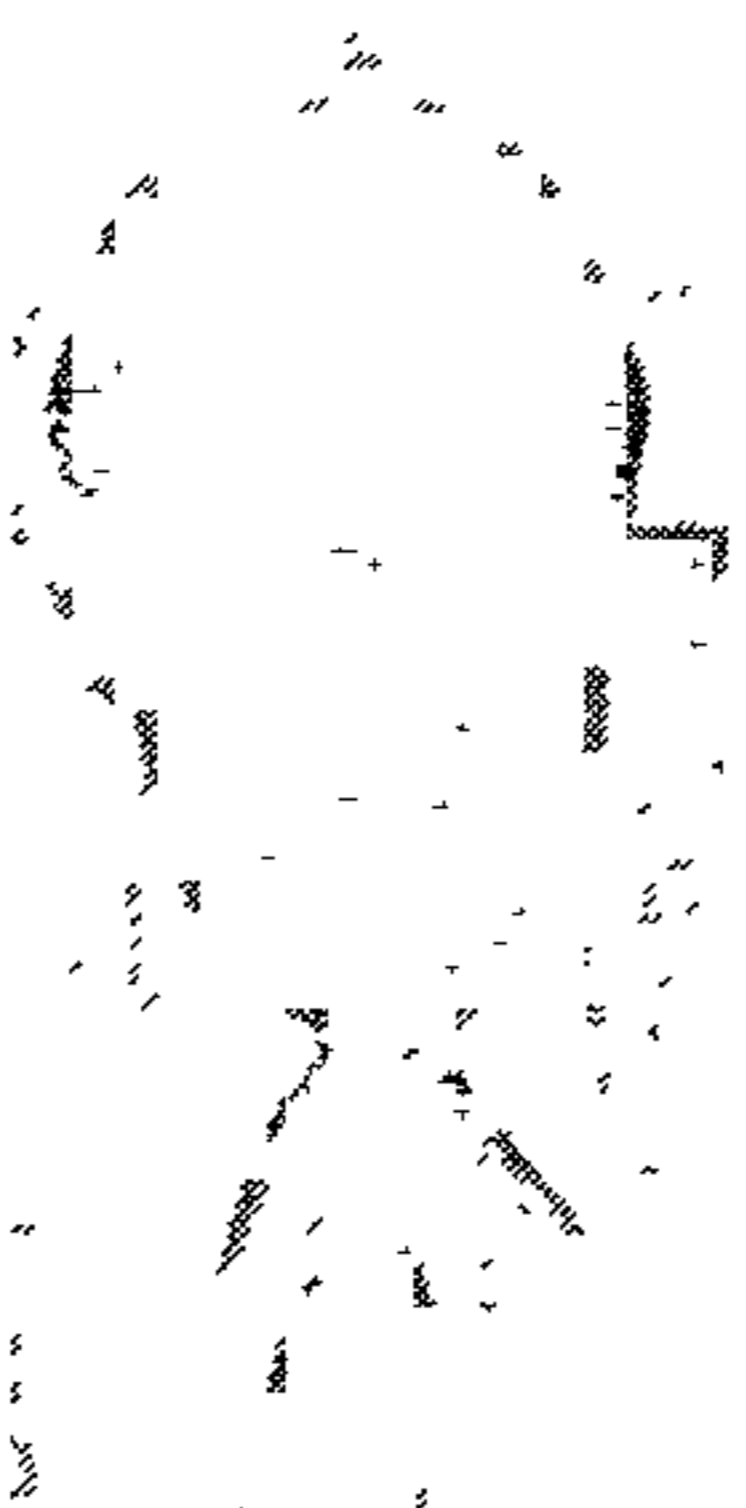
"Industry couldn't want anything clearer than that. So where is the doubt?"

Cohen said "I don't think that ADE's statement clarifies anything, other than what we have always known."

"They will continue to fight for protection to en-

sure that there is a minimum number of imports - and that is zero engines."

One manufacturer, who did not wish to be named, said, "It is a pity that ADE has not made its insistence on 22 litre protection clearer in the past. 'Doubt has been allowed to creep in'."



Hartmut Beckurts

Permits were recently withdrawn from Foden and ERF following objections from ADE, which complained that the granting of permits to import Cummins 260 kW engines

competed directly with its 422 and 407 engines.

The question has arisen whether similar objections by ADE would result in permits being withdrawn for the Cummins 280 kW and 300 kW units.

All 15 producers are vulnerable to further reversals, and at least one is threatening to pull out of the market.

The Board says it has ground rules for considering permit applications but is keeping them to itself.

But manufacturers say they will not go along with the arrangement, arguing that to give a firm commitment of intention to build a truck to the BOT also means that they have to give a commitment in advance for imported CKD kits.

The Board can then either refuse permits, or withdraw the ones they have granted, at any time leaving the manufacturer stranded with trucks having no engines.

Manufacturers say the only solution is for the BOT to come clean and state clearly what engines may be imported with full excise duty rebates.

Departement van Nywerheidswese, Handel en Toerisme
Private Bag 204

Verspreiding Helpbrake

PERMIT -
REBATE OF THE EXCISE DUTY ON GOODS VEHICLES

This is to inform in terms of item Excise Act, 1964 warehouse under model to the

Sir,

PERMIT NO. -
REBATE OF

This is to inform in terms of item 609 22 of S.C. clear as a model

The top letter, dated with no specified received in April, was manufacturer's name

Brake

LEGAL action is to be taken against any firm responsible for "rubber stamping" brake linings with the DON logo following claims that inferior "bogus" products had been sold to Brakpan Municipality, writes Lynn Carlisle.

Keith Brighton, MD of DON, told Industrial Week that a large number of linings supplied by one company had been passed off as the real (DON) product.

Report compiled by Industrial Week staff

NE PERMIT

PRICE *Industrial Week*
31/5/83

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Industrial Week staff

Departement van Nywerheidsweese, Handel en Toerisme
Private/Privat Bag 234



Department of Industries, Commerce and Tourism
Private Bag 234

Permit No. ~~XXXXXXXXXX~~

REBATE OF THE EXCISE DUTY ON TRACTORS, GOODS VEHICLES AND BUSES

This is to inform you that Ministerial approval has been granted in terms of item 609.22 of Schedule No 6 to the Customs and Excise Act, 1964 to your company to clear ex a customs excise warehouse under partial/full rebate of duty the undermentioned model to the extent as indicated

Sir,

PERMIT NO. ~~XXXXXXXXXX~~

REBATE OF THE EXCISE DUTY ON TRACTORS, GOODS VEHICLES AND BUSES

This is to inform you that Ministerial approval has been granted in terms of item 609.22 of Schedule No 6 to the Customs and Excise Act, 1964, to your company to clear ex a customs excise warehouse under rebate of duty the undermentioned model. This permit is valid for the period 1 March 1983 to 31 March 1983

The top letter, dated 1st March, gave permission for engine imports with no specified time limit. The second letter, dated 29th March and received in April, was an effective withdrawal of the same permit. The manufacturer's name has been erased at his request.

Brake fraud warning

LEGAL action is to be taken against any firm responsible for "rubber stamping" brake linings with the DON logo following claims that inferior "bogus" products had been sold to Brakpan Municipality writes Lynn Carlisle

Keith Brighton, MD of DON, told Industrial Week that a large number of linings supplied by one company had been passed off as the real (DON) product

"We discovered the fraud after being called in by the Brakpan Municipality to inspect damaged brake drums. Our staff, noting that the damage could not have been caused by our linings, asked to see the linings in stock. They immediately recognised that these were not genuine DON linings and had been stamped with a rubber stamp bearing our logo," said Brighton. He said the company

allegedly involved had been asked to stop supplying linings so stamped to supply DON with a list of all customers to whom bogus linings were sold

"We appeal to all fleet operators and bonders to check their stocks and contact us immediately if they are experiencing excessive wear of their drums or unusual problems with their brakes"

Lessons of the E-part ~~1984~~ ~~1982~~ VW strike ^{3/6/83} ¹⁹² at Uitenhage

THE strike at Volkswagen's Uitenhage plant in 1980 came under the spotlight again recently when Mr Norman Faull senior lecturer at UCT's Graduate School of Business, was invited to write a special international version of the events as a case study for the International Management Institute (IMI-Geneva)

IMI-Geneva, which aims to contribute towards improving the management effectiveness of corporations and other organisations in the world through education and research, identified the Volkswagen strike as a story with effective learning points for its purpose

It decided to invite Mr Faull to present the case history at an international personnel management seminar attended by senior personnel managers of 15 nationalities with experience in multi-national companies in 20 countries

Mr Faull went to Europe in April to further his original research on the Volkswagen strike — a mammoth 450-page, five-part case study that has been used in educating industry executives and MBA students

His new case study was written from the perspective of the International Metal Workers Federation, where he spent almost a full day at its Geneva headquarters interviewing Mr Herman Rebhan, general secretary of the IMF, and his two deputies

One of Mr Rebhan's deputies, Mr Karl Casserini, had participated in the July, 1980, negotiations in South Africa which led to the end of the strike and the final settlement between Volkswagen and the trade unions

Senior personnel executives at Volkswagen's Wolfsburg international headquarters in Germany were also interviewed by Mr Faull for his new case study

Mr Faull said that the IMI seminar delegates showed extraordinary curiosity in the essentially South African nature of many aspects of the case

The many years of unfavourable international media publicity that South Africa has endured has led to the impression that it is impossible to get good news from South Africa

The 1980 Volkswagen strike proved this impression wrong. It was, in fact, the vehicle for good news

The credit for this international conclusion, said Mr Faull, should go to all those who took part in the dispute negotiations



Mr NORMAN FAULL...analysing the 1980 Volkswagen strike.

(192) NOM
2/14/83

Clash over car splinter union

Labour Correspondent

A BITTER row has broken out between the unregistered Motor Assemblers and Components Workers Union (Macwusa) and one of its Pretoria officials who has broken away to form a rival union.

The official is Mr Donsie Kumalo, a former Sigma worker who launched a Macwusa branch in Pretoria after the Sigma strike in 1981. He also later ran a branch of Macwusa's sister union, the General Workers Union of SA (Gwusa).

Mr Kumalo has now formed the National General Workers Union which he says has a membership of 2 000.

Mr Kumalo says he resigned from Macwusa because of "policy differences" with its Port Elizabeth leadership.

He also alleges that the PE leadership refused to allow him to open a new branch in the Transvaal and that it "sabotaged" an overseas trip

he was planning to make.

He claims that most former Gwusa and Macwusa members in Pretoria have joined his new union, but that Macwusa organisers are now telling workers the new union is "illegal" and that they will lose their money if they join it.

Mr Kumalo also claims Macwusa and Gwusa organisers assaulted him and took away his bank and reference books.

"We want workers to know there is nothing illegal about our union and that they are free to join it," he said.

But Macwusa's secretary, Mr Dennis Neer, says Mr Kumalo was suspended from the union for using its offices and resources to launch the rival body.

"His charges are nonsense. He never complained about policy differences or anything else and we have no idea why he formed a new union," Mr Neer said.

Behind

2104 6/6/83
BMW agreement

192 Mail Reporter
THE National Automobile and Allied Workers' Union has signed an agreement with BMW

Mr Taffy Adler, Transvaal secretary of Naawu, said yesterday the agreement represented a milestone in industrial relations

The agreement provided

that BMW would negotiate wages, working conditions and stop order facilities with Naawu. The union would have access to the election of shop stewards as soon as 50% of workers belonged to the union.

The union at present has 40% membership at the plant.

C. HEROLD
4/6/83
SA union goes to Italy to settle dispute

A SOUTH AFRICAN labour dispute has been settled in the Italian capital of Rome.

The National Automobile and Allied Workers Union (Naawu) is now officially recognised by Alfa Romeo.

The South African subsidiary, until last week, had refused to deal with the union.

Naawu had appealed for assistance to the Italian Metalworkers Federation, which organises Alfa workers in Italy, as well as the 14-million strong International Metalworkers' Federation. Both the Italian and South African unions are affiliated to the international federation.

PRESSURE

The appeal led to pressure being applied on Alfa A meeting followed in Rome on Monday last week attended by the Alfa parent company, the South African subsidiary, Naawu, the Italian Metalworkers' Federation and the international federation.

Agreement on recognition was achieved at this high-powered gathering.

The Geneva-based general secretary of the International Metalworkers' Federation, Mr Herman Rebhan, had said earlier "The high-handed reactionary attitude of the Alfa manage-

ment in South Africa suggests they still think they are living in the Mussolini era when trade unionists were treated like dirt".

The company is the lowest payer of all motor manufacturers in South Africa, according to the Transvaal secretary of Naawu, Mr Taffy Adler. He said it paid R1,45 an hour while no other motor company paid less than R2,00.

Naawu's struggle at Alfa started when the union applied to management to be officially recognised as representing the workers at the company's Wynberg, Johannesburg plant, which houses its workshop and spares department. The majority of the workers had joined Naawu.

But management refused to accept that Naawu represented its employees, and set up a Works Committee instead, Mr Adler said.

Two key members of the union were also unfairly dismissed, he added.

This led to Naawu, an affiliate of the Federation of South African Trade Unions (Fosatu), fighting it out in court with Alfa on April 25.

Naawu has agreed to halt court action against the company in return for its being officially recognised by it.

192

Stay off Rikhoto, Govt is warned

By STEVEN FRIEDMAN
Labour Correspondent

THE Government could unleash a "furore" in the United States if it overrode the Rikhoto judgment extending migrant worker rights, and such a decision would strengthen the hand of the growing disinvestment lobby in the US, a leading industrial relations man said yesterday.

Mr Fred Ferreira of Ford (SA) warned that campaigns to pull tens of millions of rand out of companies doing business with South Africa could gather steam if the Government took this step.

He was approached to comment in the light of a recent speech he made to the Afrikaanse Handelsinstituut.

Mr Ferreira told the AHI the US disinvestment lobby, which has recently persuaded several state and city legislatures to withdraw investment from companies doing business with South Africa, was increasingly focussing on influx control and on the proposed Orderly Movement of Black Persons Bill.

He argued that the Government should announce the scrapping of the Bill.

Mr Ferreira said yesterday that overriding the Rikhoto judgment could cause a "furore to the nth degree" in the US.

The Americans are certain to view an

attempt to circumvent the judgment as an attempt to muzzle the courts," he said.

"They are particularly sensitive to this sort of issue as their own Supreme Court played a key role in the desegregation initiatives of the 50s and 60s," he added.

Mr Ferreira said large sums would be involved if the disinvestment lobby succeeded in persuading public bodies to withdraw funds from companies doing business here.

"For this and many other reasons, I believe the Government would do well to implement the judgment," he added.

Meanwhile, influx control specialists pointed out yesterday that according to a recent study by Cape Town economist Charles Simkins, South African cities were less populated than those of other comparable countries.

They were reacting to suggestions that implementing the judgment would prompt a "flood" of black people to the cities, whose facilities would not be able to cope with them.

In a book published recently, which analysed official population statistics, Mr Simkins found that influx control measures had led to South African cities becoming "under urbanised" compared with United Nations norms for city populations.

He also argued strongly against suggestions that relaxing influx control would lead to an "uncontrollable flood" of black people to the cities.

VICTORY FOR NAAWU

THE National Automobile and Allied Workers' Union (Naawu) has won a recognition agreement from BMW in Pretoria.

The agreement gives the union a major hold on the auto industry in the area, almost matching Naawu's dominance in the eastern Cape.

Naawu's regional secretary Mr Taffy Adler, said the agreement provided for recognition, shop stewards, union access and other basic

terms.

However, the union will only be granted permission to negotiate wages when 50 percent of the BMW workforce are Naawu members. The union has about 40 percent membership of the plant's 1 500 hourly-paid workers.

Naawu already has an agreement with Sigma and is involved in talks with Alfa. The union is also recruiting members at the other major Pre-

torian area auto firm, Datsun.

Mr Adler said the union was also moving into the components firms in the PWV region.

Naawu, an affiliate of the Federation of South African Trade Unions is nationally representative of other auto assembly workers at Ford, General Motors, Volkswagen, Leyland and at various component manufacturers such as Firestone.

Sowetan
June 1983

BMW plans new complex at Midrand

192 (192) RUM 9/6/83

GEARING up for the next upswing, BMW South Africa is to build a new headquarters and additional motor sales and servicing facilities on a newly-acquired 13ha site at Midrand

By **SIMON WILLSON**
Industrial Editor

This was announced at a Press conference in Johannesburg last night by BMW SA's managing director, Dr Eberhard von Koerber

Construction on the new site, positioned alongside the Johannesburg-Pretoria motorway, will begin at the end of the year and completion is scheduled for mid-1985. Buildings to be erected include a new national parts distribution centre and an after-sales training complex

In an optimistic forecast of the company's prospects, Dr Von Koerber predicted that turnover would double within the next five years from last year's outturn of R270-million

Turnover in 1982 was more than 300% up on the figure four years earlier

Dr Von Koerber also announced that a new top-of-the-range model, with a showroom price of R65 000, was to be manufactured in South Africa alone from September this year

The company was established 10 years ago when it took over the company which held the franchise for local assembly

In recent months a series of bullish statements and forecasts have emanated from the company, indicating that its Munich-based parent considers its South African subsidiary

to be in one of the world's best growth markets for up-market cars

Last year, for instance, the volume sales of the company's top marques were higher in South Africa than in any other market except the domestic German market

In 1978, the company's car output was 7 000 units, a market share of 3,4%. Last year sales were more than 15 000 units with a market share of 5,3%

Dr Von Koerber said the company's sales target was now 30 000 cars a year within the next five years, following the completion of its new R100-million plant investment at Rosslyn which was started in 1980

"It remains the responsibility of our parent company to develop new models, but there is an ever-increasing need for specialised development, testing for local conditions, and to exploit opportunities for an extension of the local content in our products."

He said the new plant would be on stream by October this year, with extended assembly lines capable of producing more than 100 cars a day. At the same time, a larger training centre would be commissioned at Rosslyn

The company would concentrate on extending its training programmes to improve productivity in the company and in its dealer network

VW cuts operating losses

(92) Industrial week
14/6/83

A LOGISTICS division is being set up by Volkswagen South Africa which will substantially reduce operating losses through material losses, obsolescence, ledger write-offs, and lost time waiting for materials, writes **Fred Roffey**

Another major benefit will be the reduction of stock levels, which will help relieve the tremendous pressure on cost, but at the same time effective production will be maintained without creating shortages

The logistics division is headed by Fritz Frueholz, formerly materials manager

The company says the ultimate aim of the new division is to have the right materials at the right time, in the right quantity and at the right place, to ensure the provision of vehicles to the sales division at the right time and in the correct product mix

"Although existing organisational structures have been retained as far as possible, some reshuffling of people was necessary," says a Volkswagen statement

"All personnel involved can be assured that no retrenchments will take place as a result of the formation of the logistics division

"No initial manpower reductions are envisaged at all

"Future expected savings in manpower, that will result from improved controls and systems as well as shortened lines of communication, will be handled through the normal personnel placement procedures without resorting to any retrenchments

"The newly-formed division will play a vital role in the economic manufacture of our products in future," says the statement

A 42

~~10/6/83~~

D. DISPATCH

10/6/83

Employers urged to help workers

EAST LONDON — Employers were last night urged to "use their muscle" to bring about meaningful change for workers in South Africa

The director of labour relations at Ford Motor Company in Port Elizabeth, Mr Fred Ferreira, said employers would have to "take note of the rising expectations of workers" and transmit the needs of the people to the state

"Employers not only have to keep themselves informed of expectations with respect to conditions of employment, but must also take note of expectations with regard to housing, family and community requirements," Mr Ferreira told

a labour forum organised by the S.A. Institute of Race Relations

"They must become involved in action programmes on these issues They must define the social and political changes that they believe are necessary and transmit these to the state Not with the view to prescribe or exert pressure, but simply to advise what we regard as being necessary for success from the viewpoint of the industrialist"

Asked by a businessman, Mr Wayne Munro of Johnson and Johnson, what paths industrialists could follow to air their feelings, Mr Ferreira replied "It is best to follow the accepted chan-

nels, such as the chambers of industry and of commerce

"Concerted action by industry and commerce has had an impact on legislation in the past, and I feel they are the most effective way of making your feelings known"

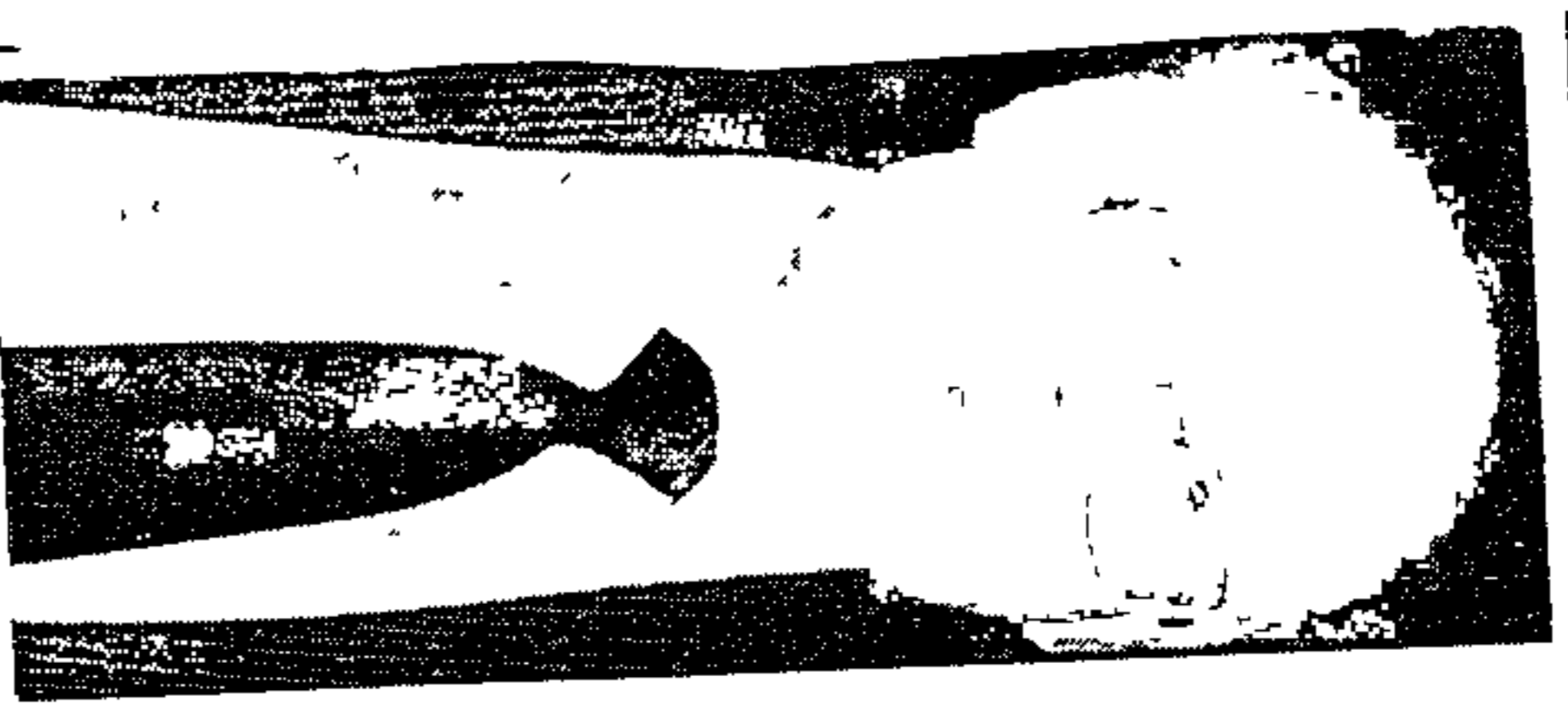
As regards "necessities" for industrialists, Mr Ferreira suggested subscription by industry to "a well-defined labour code"

"Such support can give much-needed credence to the anti-disinvestment legislation lobby in the United States," he said

Mr Ferreira stressed, however, that it was not only employers who could "take action in the labour arena". "The state actually has the most important function here, particularly as it has control over community factors," he said

- Some of the actions which could make a "positive contribution" were
 - The admission of blacks to the free market concept as far as housing was concerned,
 - Relaxing detention of trade union leaders,
 - The decentralisation of apprentice testing,
 - Giving unregistered trade unions access to industrial councils,
 - Giving official sanction to agreements conducted on the shop floor,
 - Compelling trade unions to accept responsibility for their members if they professed to be representative,
 - Decriminalising strikes, and making "lockouts" subject to negotiation, and
 - Preventing the extension of factory agreements to parties not involved in the formulation of that agreement
- Turning to strikes, Mr Ferreira offered the following advice to employers
- Establish minimum wages based either on direct negotiation or an "acceptable standard"
 - These wages must not differentiate on a racial basis,
 - Review all benefit programmes to ensure they do not discriminate,
 - Create training opportunities for all workers,
 - Formulate a "reasonable response" to trade unions and make this position known to workers,
 - Introduce training programmes to help workers and supervisors understand the "changes that are taking place",
 - Improve communication, and
 - Encourage the participation of workers in these programmes —

MIR FERREIRA . . . in East London last night.



SIGMA FM 17/6/83 (192)
The long road back

Sigma is to invest R120m in new passenger cars and commercial vehicles over the next three years

The announcement has coincided with the happy news that the company has almost doubled its car sales and climbed from number seven spot to number two between April and May this year

Market share now stands at 12,2% which means there is still some ground to cover before regaining the 14% share it held last year.

"We launch the new Mitsubishi Tredia range next week and the Mazda 626 later this year," says Sigma MD Spencer Sterling "Early next month we start with an updated Peugeot 505 to add to the 504, for which we have re-tooled extensively. We start our re-launch advertising campaign for Peugeot early next month

"Other franchises in the passenger field are being studied seriously, although I would not like to indicate any source of origin at this stage"

Sterling warned when he became MD in January that things would get worse before they improved. He has been right so far, and cautions against reading too much into the latest sales figures.

But he sticks to his prediction that Sigma will move towards "a sustainable position as one of SA's premier motor manufacturers with a market share of around 18%. I am not saying that we will be number one, or number two," he says, "but we are going to be very competitive

"We have just re-launched our new B series 1 t pickups, including diesel and petrol, and short and long wheelbase versions. We are also extending the Mitsubishi L300 range to include a pick-up, panel van and three levels of minibus.

"We will continue to supply Mack heavy trucks and there will also be some new Mitsubishi heavy trucks next year, above 15 000 kg gvm."

Sterling says Sigma has employed between 600-700 new production line workers at Sigma Park which is expected to be working at full capacity by 1985 on the new models. Production is presently at 65% of total capacity.

He admits that the company's Blackheath assembly plant, bought from Leyland in more reckless times, is something of a liability

"I would like to sell Blackheath," he says "The problem is finding a customer. It might be an advantage to have a plant there in the long term, but we are concerned with short and medium-term planning right now. Economics favour staying close to the market, which is in the Transvaal rather than on the coast

"But the incurred cost of having this spare capacity might yet prove to be not all that bad. It would cost practically double to

replace."

Sigma is strongest in the light segment of the car market, where its Mazda 323 is a market leader. And the medium segment should also soon prove fruitful — the new Mitsubishi Tredia is targeted to sell 1 000 units/month and Mazda 626 1 500-2 000 units/month.

It still lacks an entry in the high profit, low volume prestige car sector and, as yet, has nothing in the economy class.

"When I came to Sigma, the situation surrounding the Peugeot franchise was awful," says Sterling. "We had to decide whether to abandon the franchise or start from scratch — we chose the latter"

A dedicated production line has been set up exclusively for Peugeot and considerable time and money has been spent in re-tooling. Without any advertising — the re-launch is in July — orders are running in excess of 600 a month. "We have re-specified and updated the cars to European specifications and ought to be able to achieve 4%-5% of the market," he says "Peugeot used to enjoy 6% market share and we are not going to push promotion until the public realises that it is a top quality product"

Light commercials have been a problem for Sigma. The company virtually moved out of the light commercial field last year, although production is now coming back after extensive retooling on a completely separate production line

"Light commercials are totally different from passenger cars, just as the Peugeot is different from the high volume Japanese models," he says "We have eliminated the previous model mix we had on the production lines

Sterling sees an increase in industry employment from the second half of this year

"Technologically, I would dissociate myself from any remarks made by previous managements about automation taking over from labour," he says "Body design and construction is becoming more com-

plex, making manual welding more difficult and leading to possible defects and increased operator fatigue. For these reasons we will see more robotics but it will be more expensive than labour for local volumes. I do not foresee automation resulting in any real reduction in requirements."

192
21/6/83
**'ADE let down
by local industrial
aluminium men'**

ATLANTIS Diesel Engines has finally acquired R7-million from the IDC to establish an aluminium foundry, after an unsuccessful foray to secure the funding from the SA aluminium foundry industry, writes Priscilla Whyte

Barry Osler, marketing manager of ADE, said at a press conference "We were very badly let down by the SA aluminium foundry industry and then looked to the IDC for the cash"

Osler said the IDC acquired the funds in Germany and that the total project with ancillary equipment would cost about R15-million and production of a small amount would come on stream by the end of this year

When ADE sought financial assistance from SA private enterprise, offers of only a 20% loan were made and a firm commitment was expected on aluminium casting volumes

upgrading 40 happiness among labour forces a major cause of past political instability
plan should do much to remove

Port Elizabeth is fighting back

Staff Reporter CASSIE du PLESSIS concludes his review of E Cape economy.

There had been hundreds of reports outlining the area's problems but they had not concentrated on outlining solutions, said Mr Koch. A strong believer in the worth of labour stability to help the area is Mr Fred Polasek, managing director of Hella (Automotive Components Company). He says the area has suffered severely because of labour problems, and, compared with national development we have gone backwards.

OPINIONS vary vastly about how deeply in trouble the Port Elizabeth-Uitenhage complex is, but there is consensus that something must be done to stimulate economic growth.

In fact, interviews with key figures reveal that there is a new fighting spirit in the Eastern Cape — not for survival, but for a fair share of the country's economic growth.

An obvious plan of attack is to put pressure on the Decentralisation Board to provide better incentives for economic growth, because there is also consensus that the decentralisation policy has so far not done much to heal the ailing economy.

Here the powerful motor industry — the area's main industrial artery — has thrown in its weight.

The Managing Director of General Motors South Africa, Mr Lou Wilking, has warned about a "slow but sure strangulation" because of a lack of incentives. His company has supported a paper directed to the Decentralisation Board by the Midland Chamber of Industries.

Support

Ford and Volkswagen are supporting these calls, the latter having sent a memorandum to the Decentralisation Board, calling for more concessions.

On another front, Members of Parliament and of the Provincial Council have in recent years continuously tried to get a better deal for the area.

One of the latest moves is an attempt by Mr Edward Trent, MPC for Port Elizabeth Central, to propose a motion in the Provincial Council calling for "a vastly improved approach" to the Eastern Cape's Economic Development.

He says the Port Elizabeth-Uitenhage area's share of the gross domestic product has been dropping steadily, and that the population and unemployment rates are increasing rapidly.

In his opinion, the main areas for improvement are agricultural production and the tourist trade.

Steel depot

Once the Orange River Scheme is completed, between 3 000 and 4 000 ha of land would be brought into production in the Sundays River Valley, bringing a 50 percent increase in economic activity there.

Mr Trent is proposing a more equitable distribution of provincial funds to bring funding in the Eastern Cape into line with that of the Western Cape and Boland.

Meanwhile as industries such as the motor industry here suffer a

He adds: For every hour lost be it through inefficiency or even strikes we lose to our competitor whether he be local, national or international. We could either find investment diminishing or even disinvestment in our area.

Picking up

The secretary of the powerful National Automobile and Allied Workers Union, Mr Les Kettle, disagrees about the role of labour unrest in the area's problems.

'location penalty' because of the distance from the main markets and raw material sources, there are strong calls for Iscor to establish a steel depot in the area.

Industrialists argue that by setting up a depot for stockpiling, Iscor could press the Government for a rail subsidy on steel in terms of decentralisation policy and pass the savings on to users.

Attraction

If steel became available at a cheaper rate, this would also attract other industries.

The Executive Director of the Midland Chamber of Industries, Mr Brian Matthew, said that while the Port Elizabeth-Uitenhage complex had in recent years not seen significant industrial development, a number of companies had expanded elsewhere. That included the siting of a warehouse near Johannesburg by Volkswagen.

Mr Matthew says he believes the call by local concerns for a better deal would have more impact if Port Elizabeth could become a separate regional development area. It is presently grouped in region D with East London, while the two cities are relatively far apart and have different needs.

Kimberley and Bloemfontein are much closer to each other but are in different regional development areas.

'Nonsense'

"The Government's incentives are just making the Pretoria-Witwatersrand-Vereeniging area more attractive, eroding our competitiveness," he said.

The chairman of the Regional Development Advisory Committee for area D, Mr Louis Koch, regards a call for Port Elizabeth to be separated from East London in the regional development plan as "nonsense". He is, however, reluctant to elaborate because the committee is discussing proposals to be put to the Government with representatives of private enterprise.

He said the proposals would not only cover transport and labour subsidies to the motor industry, but would incorporate the possibility of bringing in new industries based on the Port Elizabeth-Uitenhage agricultural hinterland.

He warns local industrialists against being "over parochial" and seeing a clash of interests between themselves and other parts of the Eastern Cape, such as East London which have enjoyed privileges as "border areas".

The R300-million to be spent here on black township infrastructure in terms of Mr Louis Rive's upgrading

That is complete nonsense," he said. "Labour here is not different from the Vaal Triangle. You have labour trouble everywhere."

There were signs of the industry picking up such as the motor companies going back to full work shifts. Retrenchment had not only stopped but Ford had taken back most of the people it retrenched last year.

Although the Motor Industry, like all other industries must always look at new possibilities to be profitable, Volkswagen was here to stay — and this had been borne out by its recent introduction of a R200-million expansion programme at its Uitenhage plant.

His opinion is echoed by Mr Ronnie Kruger, former chairman of the Atteridgeville Sakekammer in Port Elizabeth and public relations manager for Volkswagen, who says: "We must identify our strength and develop that."

I am afraid all the negative publicity is sinking Port Elizabeth," he said. "I don't believe Port Elizabeth is dying. We must market this city's assets professionally — the established industry, its labour resources, its infrastructure."

Another optimist is Mr James Kleynhans, MP for Algoa, who says he is trying to get a group interested in marketing the area — a move which had for a long time been proposed in the City Council.

'Here to stay'

Retrenchment talks 'hopeful'

192

By STEVEN FRIEDMAN
Labour Correspondent

NEGOTIATIONS aimed at securing the reinstatement of workers retrenched at Datsun-Nissan's Rosslyn plant have reached an "advanced stage", a spokesman for the United African Motor Workers' Union (UAMWU) said yesterday.

The union is now trying to get hold of retrenched workers in an attempt to put settlement terms to them.

About 100 workers were retrenched by Datsun at the beginning of the year.

However, the UAMWU, a member of the Council of Unions of SA which has members at the plant, alleged at the time that some of the circumstances surrounding the retrenchments were an "unfair labour practice".

It threatened to take legal action against the company to secure the workers' reinstatement.

But no action was taken

and since then the company and the union have been negotiating on the retrenchments.

Union organiser Mr Job Khumalo said yesterday that a settlement was imminent and added that the union was now trying to trace workers who had been retrenched at the beginning of the year.

"Many of the workers live in Bophuthatswana and communication with them is difficult. We are desperately trying to get hold of them to put the settlement terms to them and to find out whether they accept them," he said.

A final settlement to the dispute was being delayed until the union had had an opportunity to consult the affected workers, Mr Khumalo added.

He appealed to all workers affected by the negotiations to report to the union's office in Pretoria to discuss the company's settlement offer and to indicate whether they accepted it.

Car imports could cost E Cape firms millions — Savage

192 714 E. Post
24/6/83

By JOHANN POTGIETER
Political Correspondent

CAPE TOWN — The Government's decision to allow the importing of 4 000 fully built Japanese cars by an up-country company "hits at one of the most depressed areas in the country, where unemployment is highest and poverty most acute", Mr Andrew Savage, PFP MP for Walmer, said today

He said the move could cost the Eastern Cape "tens of millions of rands" and was "a slap in the face" to the multinational car companies that had supported the country, for "donkeys years"

This was his reaction to the row about the decision to allow Alfa Romeo to import Daihatsu Charade cars, fully built for sale on the already depressed South African market

The issue was raised in Parliament by Mr Savage's colleague in the PFP and its chief finance spokesman, Mr Harry Schwarz, who warned that the "dumping" of these cars on the market had had "a seri-

ous impact" on the job situation in the Eastern Cape

"This is not something we can allow to continue because it is a matter which jeopardises jobs in one of the most sensitive areas in the whole of South Africa," Mr Schwarz said

A spokesman for Alfa Romeo South Africa has responded to criticism by saying that the import was to test the market and that from September or October the cars would be assembled at the company's plant at Brits

This would result in more job opportunities being created locally

The controversy blew up again this week when the Deputy Minister of Finance, Mr Eli Louw, speaking in Parliament on Wednesday, virtually supported the importing of Charades, saying it could help put a brake on inflation

"The truth is that it could also influence our people to strive to produce their cars at lower prices, he said

Mr Schwarz said he trusted Mr Louw had the labour relations in the

Eastern Cape "as close to his heart as we do"

In reply, Mr Louw did not deal directly with this. He said the Government had given "very careful consideration to the matter" before allowing the imports

Mr Savage said the Government should spell out the considerations that went into the decision to allow the imports

"If anyone should be allowed to import, then it should be those companies who have shown their long-term confidence in the country by making vast investments here — Volkswagen, General Motors and Ford, for example," he said

Mr Peter Searle, managing director of Volkswagen, said today the company did not believe in the importation of fully built vehicles with the exception of a few exotic models

It was not a question of sour grapes, but one of economics. Such imports were not in the national interest in a developing country which is trying to build up local industry in serious recession

Yesterday in Parliament

Govt supports import for cheap cars sparks row

A POTENTIAL row between the Government and the motor industry has been triggered by the Deputy Minister of Finance, Mr Eli Louw, who has virtually supported the importation of fully built, cheap Japanese cars

At the centre of the controversy is the mass importation of Daihatsu Charade sedans which are being marketed in South Africa by Alfa Romeo Eastern Cape Motor Manufacturers, fearing the precedent of mass importations of low-priced cars might reduce their share of the market and aggravate already critical unemployment, have approached the Board of Trade and Industries to apply tougher import duties for cars in the lower price range

Parliamentary Correspondent

Charades could be of benefit by helping to put a brake on inflation
 'The truth is that it could also influence our people to strive to produce their cars at lower prices,' said Mr Louw

'This is underlined by the fact that in the same class there are cars which could be marketed at much lower prices'
 He made the remarks while replying to a plea by Mr Harry Schwarz (PFP Yeoville) that the Government check the new trend in mass importation of low-priced, fully built cars 'This has had a serious impact on the job situation in the Eastern Cape,' said Mr Schwarz

He said jobs were being placed in jeopardy by what he described as the dumping of cars in South Africa
 The motor industry was being very seriously prejudiced by the importation, he said
 'This is a very delicate situation and many Members of Parliament representing the Eastern Cape are fully aware of it'

'They have made representations in this regard yet we have a situation where motor cars are virtually being dumped in South Africa as a result of which jobs are being placed in jeopardy'
 'In spite of the 100 percent import duty imposed on the importation of foreign-produced cars they can still be sold competitively,' said Mr Schwarz
 He said this could not be left unattended and if it were allowed to continue the jobs of many people in one of the most sensitive areas of South Africa would be in danger

He said 'I do not want to approach this matter from a political point of view I want to approach it from the point of view of looking at a sensitive situation on the assumption that the deputy minister has the labour relations in that area as close to his heart as we do on this side of the House'

Advised

Nearly a month ago a deputation of Eastern Cape Nationalist MPs passed on to the Minister of Industries, Commerce and Tourism, Mr de Villiers, a memorandum

Exam-ners' Initials	(1)	20	25	4	(2)
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expressing the concern of leading Eastern Cape motor manufacturers to the importation of the Charades

Mr de Villiers advised that representations be made to the Board of Trade and Industries

(Handwritten notes and signatures)

Sigma trucks ¹⁹² under ^{25/6/83} E. lost one roof

SIGMA Motor Corporation's streamlined bus and truck division now assembling exclusively in Markman Township on the outskirts of Port Elizabeth has boosted unit production five-fold in an eight-week period.

During this same period, in which the assembly of lightweight Mitsubishi Canter and Mazda T-series commercials was initiated, five new product derivatives were brought on to the market — and another three are due within as many weeks.

Until April, only some five Mack and Mitsubishi FM and FK trucks were assembled monthly on a product line devoted exclusively to the heavy-end of the commercial range. This changed within weeks following the decision to consolidate all Sigma's truck and bus assembly operations under one roof.

The change meant the redirection of light-duty assembly from its proposed home in Sigma's car division in Pretoria, to Port Elizabeth.

The motivation behind the move was to consolidate all the truck expertise under one roof, commented plant manager Mr Nigel Fox this week, shortly after a progress visit by the new managing director of Sigma, Mr Spencer Stirling.

"It was Mr Stirling's first visit since the change-over and he is satisfied with the way things are turning out."

The increased production at Sigma's plant near the Aloys Station meant the trebling of its previous workforce — or the creation of a further 200 job opportunities.

The expanded assembly line took over space available from sister-company Sigma Power Corporation.

We're not going for 90% local content, says Naaccam

25/6/83

Row over fully assembled imports rocks motor industry

Business Editor

THE director of the National Association of Automotive Component and Allied Manufacturers Mr Bill Hayward of Port Elizabeth, said today Mr Lou Wilking was informed on Naacam's view of local content.

And I'm also most surprised that he has made a statement on our studies in this regard, because it was agreed no Press statements would be made until the reports were completed and

exchanged"

Mr Hayward said while it was correct that Naacam was in the process of investigating the entire local content programme, "we are definitely not going for 90% local content"

"In fact we have no specific percentage in mind and are looking at the issue *de novo* as it were"

"On the other hand we are an infant industry and it is world-accepted practice that an infant industry enjoys some protection"

Mr Hayward said he was

working "night and day" to complete the Naacam study and he believed it would be ready by the end of the month

Reacting to comments by the Minister of Industries, Dr Dawie de Villiers, on the high cost structure in the motor industry Mr Hayward said a number of component manufacturers successfully exported their products in a highly competitive international market despite the fact that they operated in a protected environment and did

not enjoy the freedom to shop around for the lowest steel or aluminium prices

Mr Hayward said once the Naacam report was concluded it would be exchanged with a similar investigation by the National Association of Automobile Manufacturers of SA

It was hoped consensus might be reached whereupon a joint report would be submitted to the Minister of Industries in order to provide a working basis for the review of Phase 5 of the local content regulation

From Page 1

South Africa's industries in general, commissioned as a result of what Dr De Villiers labelled during the debate on his vote in Parliament in May "one-sided, unfounded, and exaggerated suspicion-casting about protection, which is having a detrimental effect on industry in South Africa"

Studies by both Naarusa and Naacam are now awaited in August

Mr Lou Wilking, managing director of General Motors

South African, said from Johannesburg today that further cheap car imports could be expected and might do the local motor industry a great deal of good

Mr Wilking stoutly defended General Motors' decision to join Alfa in importing cheap products from Japan while the local motor industry was forced to work short time. He argued that contrary to popular belief increased protection for the local industry would ultimately lead to

less and not more employment

In the telephone interview, Mr Wilking said his study revealed that once manufacturers were forced to push local content beyond a 40%-50% range they were no longer cost-effective, which resulted in the high cost structure complained of by Dr De Villiers

On the other hand Naacam, he said, evidently wished to see the requirement pushed to between 85% and 90%

"The question I'd like to ask is how much does local content cost us? I'm not suggesting we simply throw the motor industry away, but on the other hand even importation brings with it employment — at the docks, in parts and service back-up and so on"

Mr Wilking, who is vice-president of Naarusa, said that his analysis revealed that a home-grown industry was cost effective only up to a level of 40 to 50%

"The minute you go beyond this point you are penalised"

This study contrasts sharply with one in preparation by Naacam, which, Mr Wilking said, argued in favour of an 85-90% local content programme

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Appeal

against

ban on

magazine

JOHANNESBURG — Frontline magazine was advised yesterday that the banning order imposed yesterday morning on its June edition had been suspended by the chairman of the Publications Appeal Board, pending the hearing of an appeal

The appeal is to be heard in Pretoria on Tuesday

In a statement to Sapa yesterday the editor Mr Denis Becker, said the banning was based on a small section of an article written by Mr Matthews Sibanda, an executive of the Inkatha Youth League

The article was part of a

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8 00 am
Korunna
10 00 am
Rev Albert Graham
Sermon subject
THE NEW LIFE

6 00 pm
Rev G Irvine
Sermon subject
THE GRAVITATIONAL
PULL OF EARTH

7 30 pm
Rev G Irvine
Subject
PAINFUL
HEVELATIONS

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"Do you appreciate what this will mean? We will have to stick to the same models until the year 2010 to recover the costs of tooling-up for such a pro-

Row over fully assembled car imports rocks motor industry

● From Page 1

South Africa's industries in general, commissioned as a result of what Dr De Villiers labelled during the debate on his vote in Parliament in May "one-sided, unfounded and exaggerated suspicion-casting about protection which is having a detrimental effect on industry in South Africa"

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On the other hand Naacam, he said, evidently wished to see the requirement pushed to between 85% and 90%

programme, and who will replace their cars under such circumstances?

"People will continue to drive their cars until they fall to pieces in the absence of the attraction provided by new models, and what would this do for local sales? Would such a programme create or destroy employment?"

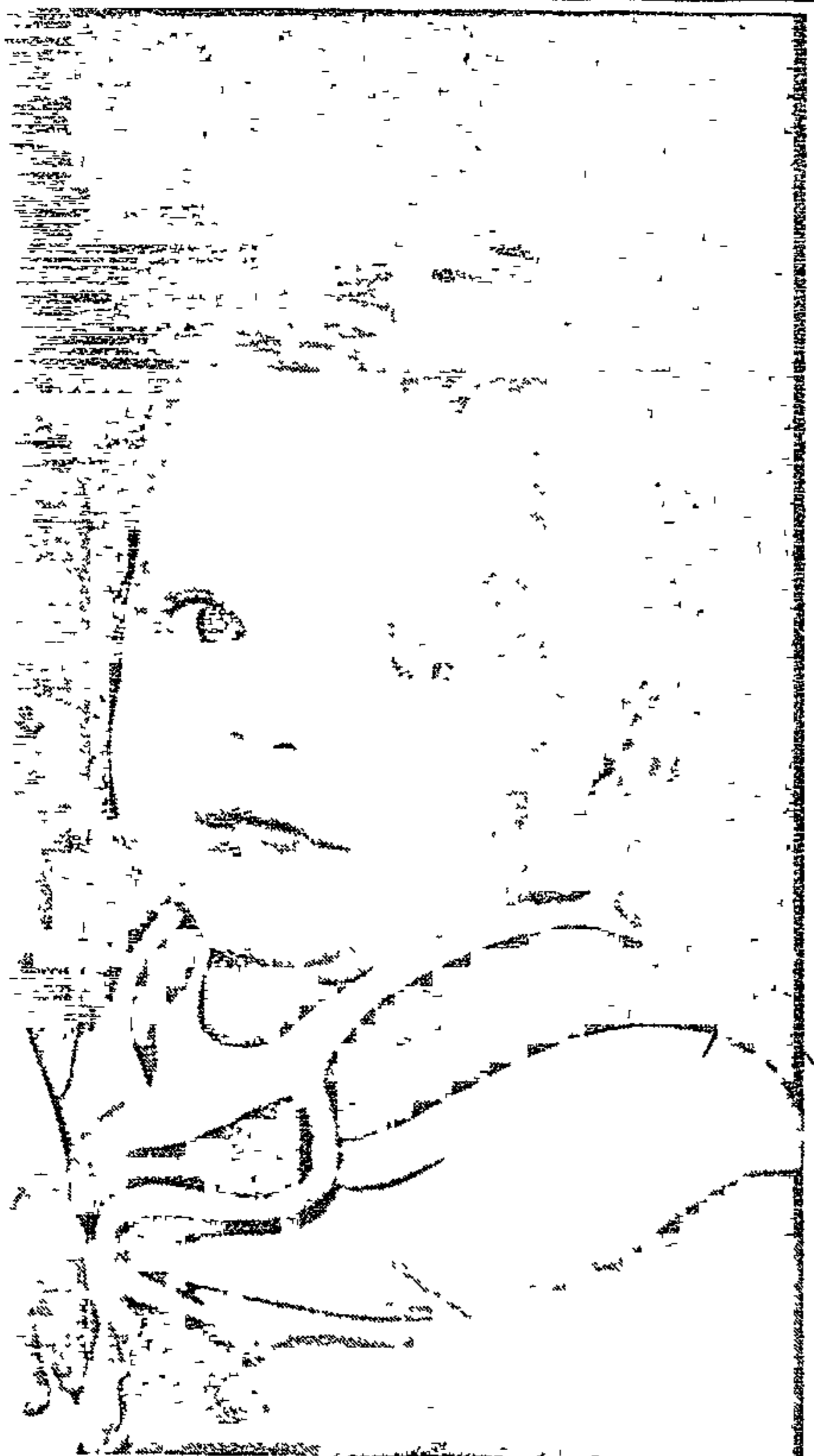
Mr Wilking said that under the circumstances cheap imports might effectively "shake the bush a bit"

A colleague in the motor industry Mr Peter Searle, managing director of Volkswagen SA disagreed

In his reaction to yesterday's criticism by Dr De Villiers of the cost structure of the local motor industry Mr Searle said from Uitenhage "The Minister's statement regarding the relatively high cost of local manufacture requires careful examination

"Obviously 10 car manufacturers in a market of 260 000 cars per year in South Africa do not enjoy the same economies as fewer manufacturers producing four million cars per annum, with highly automated production processes as in Japan

"However I fail to see how the importation of built-up cars is going to solve this sort of disadvantage for South Africa — in fact it can only aggravate the situation"



a national baby competition, 11-month-old DAVID Elizabeth, with his proud mum, KERRY. David won his grandfather, Mr Garth Robertson) charmed local judges.

"The question I'd like to ask is how much does local content cost us? I'm not suggesting we simply throw the motor industry away but on the other hand ever importation brings with it employment — at the docks in parts and service back-up and so on"

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"Do you appreciate what this will mean? We will have to stick to the same models until the year 2010 to recover the costs of tooling-up for such a pro-

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Motor chiefs condemn car import stand

25/6/83 Mercury

Mercury Reporter

SOUTH African motoring manufacturers joined forces yesterday to condemn the statement by the Deputy Minister of Finance, Mr Eli Louw, supporting the import of fully built foreign cars

Industry spokesman said the effects on employment, the motor industry and the whole South African economy would be traumatic if mass imports were allowed to continue

Mr Louw said in Parliament on Thursday that the import might encourage local manufacturers to produce their cars at a lower price

'This is underlined by the fact that in the same class there are cars which could be marketed at much lower prices'

Mr Nico Vermeulen, director of the powerful National Association of

Automobile Manufacturers of South Africa said there were a number of reasons why local cars could not be produced as cheaply as in major industrial countries abroad

These were the relatively low-volume scale of production, which made for a higher unit-cost of production, and the high cost of keeping the vehicles in line with the local content stipulation, which was 66 percent by weight of the vehicle

If the local content were less, a 105 percent punitive duty was charged on imported components

Mr Vermeulen said if the duty and excises were removed, and the local content percentage decreased, prices would compare far more favourably

An industry spokesman who preferred to remain anonymous said mass imports would make a mockery of the phased local content development.

His factory, which employed nearly 5 000 people, could simply close down its plants, dismiss all but a handful of workers and open a huge warehouse in Durban

Port Elizabeth, South Africa's motor industry capital, would die almost completely, he added

The managing director of Volkswagen South Af-

rica, Mr Peter Searle, said he was deeply concerned about the possibility of large-scale retrenchment if built-up vehicle imports were encouraged

'Employment should be uppermost in our minds at this time,' he said

The row began earlier this year when Alfa Romeo South Africa shipped 2 000 Japanese-made Daihatsu Charade sedans into the country. Landed at a cost of R3 000 Alfa could afford to pay the 105 percent duty — a Government measure to discourage imported cars — and still market the cars locally at a competitive price

A further 2 000 cars are on order from Japan

But national marketing manager Mr Roger McCleery stood his ground yesterday

He said Alfa had invested R12 million in preparing a new assembly line at their plant in Britz in the Northern Transvaal

Alfa's engineers were at present at the Japanese Daihatsu plant, making up the equipment which would be brought to South Africa — in about five weeks — to manufacture the cars locally

Once the assembly line was ready, hundreds of workers would be needed to man the operation

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Rumpus over importation of cheap cars

25/6/83
Mail Correspondent

PORT ELIZABETH. — A row between the Government and the motor industry — particularly in the Eastern Cape — has been triggered by the Deputy Minister of Finance, Mr Eli Louw, who has virtually supported the importation of fully built cheap Japanese cars.

At the centre of the controversy is the mass importation of Daihatsu Charade sedans, which are being marketed in South Africa by Alfa Romeo.

Eastern Cape motor manufacturers, fearing that mass importations of low-priced cars might reduce their share of the market and aggravate already critical unemployment, have approached the Board of Trade and Industries to apply tougher import duties for cars in the lower price range.

Mr Peter Searle, managing director of Volkswagen in Uitenhage, said last night large-scale investment in South Africa, "made in good faith", would be drastically affected, while unemployment would rise alarmingly.

"The employment issue is extremely important, especially to the social political and social economic stability of the country," he warned.

"We must take a route and stick to it. The Government must say positively that we must manufacture cars locally, or we must import them."

In Parliament on Wednesday night Mr Louw said the importation of the Charades could help curb inflation.

"The truth is that it could also influence our people to strive to produce their cars at lower prices," he said.

"This is underlined by the fact that in the same class there are cars which could be marketed at much lower prices," Mr Louw said.

He made the remarks while replying to a plea by Mr Harry Schwarz (PFP Yeoville) that the Government check the new trend in mass importation of low-priced, fully-built cars.

"This has had a serious impact on the job situation in the Eastern Cape," said Mr Schwarz.

"This is a very delicate situation and many Members of Parliament representing the Eastern Cape are fully aware of it.

"They have made representations in this regard, yet we have a situation where motor cars are virtually being dumped in South Africa as a result of which jobs are being placed in jeopardy.

"Despite the 100% import duty imposed on the importation of foreign produced cars, they can still be sold competitively," said Mr Schwarz.

He said this could not be left unattended otherwise the jobs of many people in one of the most sensitive areas of South Africa would be in danger.

Mr Rod Ironside, assistant managing director of General Motors, said Mr Louw's remarks were "disquietening news" and sounded "bad".

"With the unemployment situation as it is, Mr Louw's views do not make sense at all," said Mr Ironside.

Mr Searle said the Government supported the local manufacturing programme, the objectives of which were investment in South Africa, providing employment, and developing the local component industry.

"Producing cars locally is to the benefit of the national economy and South Africa's people in terms of employment. Producing cars locally obviously benefits the country's balance of payments," said Mr Searle.

"The motor assembly and the component manufacturing industries respectively provide employment for 50 000 and 100 000 South Africans."

Mr Searle added, "It's against the spirit of the local manufacturing programme. We can never compete with such low-priced cars, with 10 manufacturers in South Africa supplying the local market with 250 000 cars annually."

"The South African market is currently extremely competitive, unlike in other sectors of industry and commerce. We in South Africa are producing cars of the best quality at the lowest prices possible."

TOWN R BOOK

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

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WARNING

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

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Imports rock car industry

RM 192

2. Post 25/6/83

By LOUIS BECKERLING
Business Editor

THE entire local content policy for the manufacture of motor vehicles in South Africa appears to be in the melting pot after the row which has erupted over the importation of fully assembled vehicles from Japan.

GM will import more assembled vehicles — Wilking

Business Editor

GENERAL MOTORS would be importing more fully assembled Japanese-built cars in the near future, Mr Wilking said today.

He said GM proposed importing a Suzuki speciality 4x4 "jeep-type" vehicle.

"You must remember imports of this nature are going on all the time. Last year some 2 400 speciality type vehicles were imported — products such as Toyota's Land Cruiser, Datsun's Terrano and so on.

The outcry in the motor industry was sparked by the successful importation by Alfa-Romeo of the Japanese-built Diahatsu Charade passenger car. At a price of only R6 595 (after a 105% duty has been paid by the importers), the Charade is beaten in price in South Africa only by the Mim, and has proved immensely popular.

This was followed by the news that General Motors — after originally expressing strong criticism of the Alfa move — last night landed in the Port Elizabeth harbour 110 assembled Isuzu WRB11 panel vans from Japan.

Cont ↓

Naamsa's view is that as long as the transaction value is reasonable — in other words no excessive 'pricing-up' takes place, and that it is uneconomic to tool-up to produce such a speciality-vehicle, then it has no objection.

"If the Isuzu panel van proves to be a volume seller we will naturally have to reconsider our position."



More competition for South Africa's motor industry... fully assembled Isuzu panel vans being off-loaded in Port Elizabeth harbour last night from the Japanese ship, Konkar Triton. More than 100 vans were off-loaded at dusk and driven to General Motors, fuelling the controversy that started with the importing of low-priced, fully assembled Diahatsu Charade cars by Alfa Romeo.

The Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, added fuel to the controversy by saying yesterday that the cost structure of South Africa's motor industry was dangerously high and would have to be reduced if the industry was to remain a viable generator of employment.

Opponents of the imports point to the fact that in the first month of sales in April Alfa through marketing the Diahatsu almost doubled its market share (from 2,8% to 5,3%), and did so at the expense of locally-built models, primarily those constructed in the employment-starved Eastern Cape.

(Stated less clearly — or frequently — in Alfa's favour is the fact that the company simultaneously began preparations for the local manufacture of the Charade, a major investment that will considerably increase immediate employment prospects for Reef motor workers.)

The events have cast the country's local-content programme into the harsh glare of public scrutiny precisely at a time when the policy is due for a major review. At issue is the protection of employment — either by outlawing such imports, or forcing motor manufacturers to use a high proportion of locally-built components.

Currently, motor manufacturers are obliged to incorporate in the passenger cars and light commercial vehicles they build, at least 66% (by weight) of locally-made components.

Now Naamsa (the body representing manufacturers of the final product), is shaping up to persuade the Government to reduce this requirement, while Naacam (the body representing the manufacturers of those SA-made components) not unnaturally wants to see the requirement raised.

Coinciding with these studies is a scientific study of the costs of protection of

Charade to be built at Brits

By SIMON WILLSON
Industrial Editor

ALFA Romeo says the success of the imported Charade compact car on the South African market will mean more investment and employment in the domestic industry — not less, as some East-

ern Cape car manufacturers have predicted.

Alfa is happy at the Government's support for the company's strategy of importing the Japanese Daihatsu Charade. Even with 100% import duty, it is competitively priced against SA-built compact models.

At R6 595, it undercuts the Volkswagen Golf (R6 750), the Datsun Pulsar (R6 870), the Renault 5 (R6 890), the Opel Kadett (R7 125) and the Ford Escort (R7 335).

The company has been shipping in 500 Charades a month since launching the car at this year's Rand Show.

It has sold every model sent to dealers — 563 were sold in its first month on the market and 565 in the second.

Domestic competitors have alleged that the car is being dumped in South Africa and, at its current price, it will ultimately cause job losses in the industry at a time of depressed demand.

But Alfa says the Charade has been such a success that it will be manufactured at the company's Brits plant from September this year.

If domestic competitors find the car's price too low for comfort, they should look at their own margins.

Support for Alfa's position has come from the Government in Parliament.

The Deputy Minister of Finance, Mr Eh Louw, said the Charade could be helping in the fight against inflation.

Some SA cars in the same class could be marketed at much lower prices, and that manufacturers should increase their efforts to produce their cars more cheaply.

Mr Roger McCleery, marketing manager at Alfa's Brits plant, said "We're glad of the Government's support because we've stuck by the rule book all the way."

"Importing the Charade was a risk for us all along the line, and we were really worried in the early stages."

"There wasn't a market for such a car at the beginning of this year, and we could have looked pretty stupid bringing it in if nobody bought it."

"It's only since the car has found its sector of the market that other people have got clever and found something to complain about."

Mr McCleery said tools would arrive at the Brits plant from Japan in the next two weeks in preparation for production of the Charade.

"Pilot production starts in September. By October we should be near full production of 500 cars a month at Brits, and this output will increase from January 1984."

"This extra investment means more jobs for the Bophuthatswana-based workforce we already use at Brits. We expect to need about 400 more workers."

Other motor manufacturers, particularly those based in the Eastern Cape, remain opposed to what they see as subsidised foreign undercutting of the vulnerable domestic motor market.

A spokesman for Uitenhage-based Volkswagen said "Our concern is with the principle of importing a fully built-up small car."

"The precedent set by the Charade means that the way is open for importing small cars on a much larger scale than Alfa Romeo is doing. We see this as a loophole which can be exploited to a much greater extent than is being done."

"We are in the midst of a recession, and domestic unemployment should be uppermost in everybody's minds."

A spokesman for General Motors said that in spite of the Government's apparent support for competitive importing of small cars, there was no proof that this strategy would reduce car prices.

"Will it have an effect on inflation? Will it improve the efficiency of the local market? Importing small foreign cars might be so economical that it could do all kinds of things to the local industry. As yet, we don't know exactly what."

Other criticism of Charade imports is that it violates the spirit of the 100% import duty, which was intended to act as a barrier to foreign-built luxury cars as opposed to small cars.

But, as Mr McCleery said, Alfa has complied with the letter of all the legislation that the Government has laid down on local content.

Another UK
100M 28/6/83
group sells

192
Financial Reporter

ANOTHER overseas company is selling its investment in this country to a South African group

A consortium headed by W & A Investments, controlled by Mr Manne Simchowitz, has bought an 86,3% stake in the British investment group Anglo-African Finance (AAF) for just under R20-million

AAF has effective control of five associated companies listed on the Johannesburg Stock Exchange — Williams Hunt, General Tire & Rubber, Aurochs Investments, Cap Auto Investments and Autolec

The consortium apparently does not intend making an offer to minority shareholders in those companies

● See Page 11

101 192 175

Car assembly firms join to make glass

Industrial Week 28/6/83

THREE major local industrial organisations with Japanese franchises for car assembly are investing R27-million in a glass processing concern at Ga-Rankuwa near Pretoria writes Lynn Carlisle

They are motor assembly competitors Wesco (holding company

of Toyota SA) Messina (holding company of Datsun-Nissan) and Angic American Industrial (a major shareholder in Sigma who recently formed Wesglas which will be housed in a 14 500m² factory in Bophuthatswana about 30km from four major motor manufacturing plants

The new plant will be ready for production by July next year and its first years production is expected to reach R20-million according to Wesglas chairman Dr Albert Wessels

"This concept of competing motor companies joining forces to manufacture glass components has I suggest great economic advantages. It may lead to more standardisation, higher volumes, greater productivity and therefore to lower costs," said Dr Wessels.

Investments

As work started on the new factory last week, Dr Wessels announced that not only would Tswana people be trained and employed there, but that "at an opportune time" consideration would be given to offering financial participation to Tswana subjects.

"In addition, negotiations to invite a Tswana representative to serve on

the board of Wesglas have progressed well and will be implemented before production begins," he said.

Wesglas holds a licence to manufacture from Japan's 76-year-old giant Asahi Glass which



Dr Albert Wessels

will provide technical training and advice in Japan for Wesglas key personnel.

Output will at first go to the automotive industry and will be extended later to other sectors such as general construction.

Taxi ban ¹⁹² a threat to ^{ROM} minibus sales ^{30/6/83}

By SIMON WILLSON

Industrial Editor

MINIBUS sales could drop by 30% if the Government accepts the recommendations of a commission of inquiry which has advocated banning their use as taxis.

Mr Brand Pretorius, sales director of Toyota, South Africa's leading commercial-vehicle manufacturer, said yesterday that the conversion of the commission's findings into legislation would also force manufacturers to raise minibus prices to cover lost revenue from lower sales.

The Welgemoed Commission's report, which was tabled in Parliament on Tuesday, said minibuses should not be given permits to operate as taxis. It called for a stricter definition of a taxi to help enforce new legislation.

Parliamentary observers say the commission's report is likely to be accepted by the Government, and its provisions would mean the end of the large minibus taxi services for blacks all over SA.

Mr Pretorius said the black minibus taxi market was worth about R50-million in 1982.

Minibus sales totalled about 15 000 units last year, of which 4 000 units were sold to the black taxi market. Toyota estimates the current number of black taxi-operators at 22 000.

About 41% of the private buyers of new Toyota Hiace 10-seaters, and about 74% of Hiace 16-seater buyers, used them as taxis.

More than 80% of all second-hand Hiaces sold last year were used as black mini-bus taxis.

Mr Pretorius said: "Our dealers report that minibus inquiries from potential black taxi-operators have already dropped sharply."

"Current taxi-owners are also unsure about the future. If their permits are not renewed and they lose their source of income, they will be unable to pay off the vehicles and this will lead to a spate of repossessions."

"Further depression of the used vehicle market in this sector will result."

Mr Pretorius said the local content programme for vehicles became mandatory in the light commercial-vehicle market in 1981 when all manufacturers made substantial investments in tooling up.

"If this report is accepted, we estimate that current market sales volume will drop by 30%, and that manufacturers will have to put prices up to recover their income."

He doubted whether any anti-taxi legislation could be enforced.

"Such legislation will force present legal operators to go underground. We know already that many passengers are under instructions to say they paid no money and were friends of the driver."

The Welgemoed Commission said taxis should be defined as vehicles with room for four people plus a driver.

It urged that legislation should apply to vehicles carrying between five and 25 passengers. These vehicles should be regarded as being in the same category as buses.

Naamsa backs minibuses

By SIMON WILLSON

Industrial Editor

MOTOR manufacturers are preparing a submission to the Department of Transport in support of the use of minibuses as taxis

The National Association of Automobile Manufacturers of South Africa is concerned at the effect on minibus sales of implementation of a report which recommended that minibuses be banned from operating as taxis

The Welgemoed Commission called for taxis to be defined in legislation as vehicles carrying four people plus a driver. Any minibuses carrying paying passengers would have to adhere to timetables and fixed routes.

Toyota, South Africa's leading manufacturer of light commercial vehicles, said these measures would lead to a 30% drop in minibus sales and an increase in their price.

Naamsa's director, Mr Nico Vermeulen, said yesterday "Minibuses represent an essential service to black commuters."

"We are studying the commission's recommendations and we will submit detailed representations to the Department of Transport."

Mr Denzil Vermooten, economic affairs executive of the Automobile Association, said the AA would also contribute to the debate.

"We see it as a retrograde step to place more stringent controls on taxis."

"When people reach the level of income at which they can afford taxis, to restrict them in order to protect public transport is ridiculous."

Implementation of the commission's recommendations would lead to inefficient use of SA's resources.

Banning of 16-seat taxis in favour of four-seat vehicles would also have an adverse effect on overall fuel consumption.

Mr Jimmy Sogane, president of the South African Black Taxi Association, said the association had referred the commission's report to its attorneys so that points could be drawn up for a meeting with the Minister of Transport.

The effect of the commission's report would be to phase out black taxis — "to the delight of the bus operators."

People preferred to go to work by taxi because public transport was inconvenient and too often late.

Mr Sogane said his organisation had more than 20 000 members all over South Africa who would be affected if the commission's report were implemented.

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Naamsa hits back on prices

By **SIMON WILLSON**
Industrial Editor

GOVERNMENT allegations that South African small cars are overpriced and that imports of cheaper foreign cars could help to bring domestic car prices down have met opposition from the motor-makers' organisation.

The National Association of Automobile Manufacturers of South Africa said yesterday it disagreed with the charges made in Parliament last week by the Deputy

Minister of Finance, Mr Eli Louw

He was reacting to appeals from Eastern Cape politicians to the Government to act against the imported Daihatsu Charade which, even with 100% duty, is undercutting SA small cars

Mr Louw said the Charade could help the fight against inflation. Some SA cars in the same class could be marketed at much lower prices

Naamsa's director, Mr Nico Vermeulen, said "The Deputy Minister should have taken a few facts into account before making his statement

"Production volumes applying to local vehicle assembly are much smaller than

those of the United States, Japan and other competitor countries. Lower production volumes mean lower economies of scale and higher input costs"

A relaxation in local content regulations would assist in keeping price increases under control

"The local content programme is in itself a substantial cost-raising factor. If all the excise and other duties applied under the programme were taken away, the prices of domestic models would compare much more favourably with similar foreign-made vehicles"

While taking the side of SA motor manufacturers

against the Government's allegations of overpricing, Naamsa had not supported the domestic car industry's calls for increased import duty to keep out dumped foreign cars and to protect employment in the South African motor industry

Mr Vermeulen said that, in the light of complaints from manufacturers about the Charade's competitive price, Naamsa had looked into the question of whether existing tariffs gave the domestic motor industry sufficient protection

"We think the existing customs duty of 100% should be sufficient, provided the duty is applied to fair and realistic prices of imported vehicles"

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Objection
to car
imports

JOHANNESBURG —
The SA Iron, Steel and
Allied Workers' Union
has called for stricter
control over the im-
portation of fully-
manufactured cars

The union, which has
members in several
motor plants, was react-
ing to a move by a lead-
ing motor manufacturer
to import some 4 000
foreign-made cars

The union's general
secretary, Mr Henry Fer-
reira, said this would
worsen the unemploy-
ment problem

The decision to import
4 000 cars was "unneces-
sary," he said

The union understood
that the motor industry
was competitive and that
companies sometimes
had to test the market
for a model before
manufacturing it locally

The union was "dis-
satisfied" with the "new
tendency on the part of
motor manufacturers to
import fully manufac-
tured cars" It did not
believe it was necessary
to import 4 000 cars in
order to test the market

— DDC

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6/7/83
**Union is
readmitted
to council**

Labour Reporter

The National Automobile and Allied Workers' Union (Naawu) sat in on industrial council wage negotiations for the car assembly industry in the Eastern Cape this week.

Last year Naawu withdrew its membership of the council because of a protracted wage dispute which saw about 10 000 assembly workers out on strike and several plants closed down.

However, the union subsequently reapplied for council membership and was readmitted last month.

Monday's council session was the first time Naawu had participated in negotiations since its withdrawal last year.

Naawu, an affiliate of the Federation of South African Trade Unions, has sought a minimum R2,50 hourly wage rate for its members at Ford, General Motors and Volkswagen.

There is a two-year wage agreement in force which is subject to regular review.

An extra R1,3m
a month ~~19/8/83~~ ~~19/8/83~~
by next August
E Post 19/8/83

By LOUIS BECKERLING
Business Editor

A WAGE agreement that will put an additional R1.3 million a month into motor workers' pay packets by August next year has been approved by employers and unions in the Eastern Cape's motor manufacturing industry.

Union consent to the new agreement, negotiated by the Industrial Council of the Automobile Manufacturers' Industry, Eastern Cape, was transmitted to employers today, according to a spokesman

In terms of the agreement the increases will raise pay levels by 12% to 14% over a 12-month period for most workers — and up to 17,4% in the case of the lowest-paid workers currently in employment. They will be phased in over three instalments

Hourly rates of pay at the lower levels will be raised by 10c with immediate effect (backdated to August), by a further 15c in February next year and a further 15c in August next year, for a total increase over three instalments of 40c an hour

Increases for the remaining seven grades vary from 10c an hour up to 16c for the top grade (backdated to August), a further 21c in February and a further 21c in August — for a total of 58c an hour over the three instalments for the highest-paid workers

This means that over a 12-month period the absolute minimum wage paid in the industry in the Eastern Cape will rise from R2,30 an hour to R2,70 — or 17,4%. Assuming a 200-hour month, this increase translates into additional gross take-home pay of R80 a month

At the higher levels, an aggregate increase of 58c an hour over the same period has been agreed, which, a spokesman said, would add about R120 a

month to the take-home pay of these workers

Assuming an average of R100 a month extra for workers in the industry and a total workforce of about 13 000, the effect of the agreement will be to inject an extra R15,6 million a year into the economy of the Port Elizabeth-Uitenhage metropolitan area within the next year — an infusion which will considerably enhance the prospects of an economic upturn

"We can only hope that retailers in the area respond by buying our products," commented a motor manufacturing executive

The agreement was negotiated within a surprisingly short period, requiring only five meetings between Epama (the Eastern Province Automobile Manufacturers' Association), SAISAW (the SA Iron and Steel and Allied Workers' Union) and Naawu (the National Automobile and Allied Workers' Union)

Negotiations began in July against a background of deadlock and strike action at that same time last year when unions insisted on shifting minimum wages from about R2 to R3,50 over an 18-month period

Employers balked at the prospect and, in the ensuing deadlock, plants were temporarily shut down as a result of strikes. A unilateral 20c increase was announced and workers eventually returned to work

Under the circumstances the latest agreement would appear to meet both parties more or less halfway, and the Evening Post understands that all parties to the agreement regard it as "reasonable under the cur-

● Turn to Page 2

Big boost in pay for car workers

symposium would be shortly in Johannesburg where the RDAC will discuss development considerations, with agricultural the implementation of conservation on in the region to boost

resolution was also at the congress ask Department of Agriculture to investigate the tape and shortcomings of the present drought assistance scheme Congress also resolved to the Government for for an adequate supply and for storage facilities for fodder the importance of build-dams was emphasised areas where farmers requested this

Mother and six newborn babies fine

BLANKENBERGE, Belgium — Sextuplets born to a Belgian nurse on Wednesday night are all in perfect health, Mr Andre Dezutter, director of the Queen Fabiola Maternity Hospital, said last night

He said the babies, five boys and one girl, were about six weeks premature and each weighed between 1,3 and 1,5 kilograms

Mr Dezutter said he believed the babies were the first sextuplets born in Belgium — Sapa-Reuter

Death of ex-mayor 'natural'

CAPE TOWN — A former Mayor of George, 64-year-old Dr Francois Heunis, whose body was found in a ditch on the grounds of the Stikland Hospital this week, died of natural causes

A spokesman for the hospital said although the results of a pathological examination had not yet been released the police did not suspect a crime

Dr Heunis was last seen at the hospital on Tuesday — Sapa

Big pay boost for motor workers

From Page 1
rent economic circumstances"

Unregistered Macwusa (the Motor Assemblers and Component Workers Union) is not a party to the Industrial Council agreement just negotiated, but the new wage structure would be extended to all, according to a spokesman

Some comments today on the new agreement were

● Mr Fred Ferreira, chairman of Epama "Considering the present economic conditions in South Africa I think this is a very equitable agreement"

● Mr A O "Ollie" Rademeyer, director, industrial relations, VW (SA) Pty Ltd "We are satisfied that this is a very fair award to the employees"

● Mr Tony Gilson, director of the Port Elizabeth Chamber of Commerce "I understand that wages in the industry in the Eastern Cape are already high in comparison with the rest of the industry I would therefore hope that the new agreement is not going to make the local industry less competitive than it apparently already is"

Spokesmen for the two unions involved — Mr Henry Ferreira, general secretary of SAIWA (and also chairman of the Industrial Council concerned), and Mr Freddie Sauls, general secretary of Naawu — were not available for comment at the time of going to press

SA bombing denials

in Lisbon yesterday in its southern provincial African air raids and on the Pretoria Govern-

to the media here, the African denials that its omba in Mexico Prov-

are worthless," the em- the bombing) is there to

On Monday South Africa formally denied Angolan charges concerning the alleged bombing

Echoing charges carried by the Angolan national news agency, Angop, earlier in the week, the statement said massing of South African troops in southern Angola represented a "growing danger" and issued an international plea that pressure be brought to bear on South Africa

Reports from Luanda, the Angolan capital, quoted unidentified officials as saying a 10 000-strong force of South African soldiers, foreign mercenaries and Angolan rebels were grouping in Cunene and Kuando-Kubango provinces for a push north towards Luanda — Sapa-AP

DOMNEY SPECIAL

PO van h two brot found gu

Post Reporter
TWO brothers were convicted on a robbery charge by a Port Elizabeth Regional Court yesterday after the hijack of a post office delivery van carrying R13 000 pension money outside a Uitenhage post office earlier this week
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E Cape motor talks on wages re-open

6/7/83

By LOUIS BECKERLING
Business Editor

KEY wage talks in the Eastern Cape motor industry re-opened this week

The first round of the talks between employers and trade unions represented on the Automobile Industrial Council ended without agreement and a further meeting is now scheduled for July 28

Both employer and union representatives are reluctant to comment on the talks — the first of the six-monthly "open-house" reviews agreed to after last year's strike in the industry

However it is understood that the major union party to the council, the National Automobile and Allied Workers' Union (Naawu), has re-opened its original demands for a rise in the minimum wage rate to R3,25c per hour

It was this demand which precipitated the July strikes in the Eastern Cape motor industry last year. Employers initially offered an increase from R2 to R2,15 and eventually an agreement was achieved at R2,20 for existing staff and R2,15 for newly-engaged staff

While neither party to the latest round of negotiations is willing to comment, the wage talks take place against a background of declining unit sales in the motor industry, a declining market share held by the Eastern Cape manufacturers (the council's jurisdiction is confined to this region), and a measure of uncertainty about future expansion

Under the circumstances, and bearing in

● Turn to Page 2

Talks on wages

6/7/83

● From Page 1

and the employers' blunt rejection of the demands in July last year the prospects of a modified agreement from the union representatives at the next meeting cannot be ruled out

The industry said employers conceded the need for adjusting wages but were reluctant to introduce such an adjustment with immediate effect

This at least in part explained the postponement of the first round of talks to such a late date in July as it was now unlikely a new wage schedule would be agreed to in time to be implemented by August 1

MOTOR VEHICLE IMPORTS

Squaring up to free trade

1a2



Normally a 105% excise duty is well able to keep imported products out of a market. It applies to cars in SA — one of the highest levels of protection afforded to any local industry. Yet

since March this year, two motor companies have paid the duties and brought in vehicles to sell, not as luxury cars, but against local products. One reason, of course, is inflation prices are rising three times as fast here as in Japan.

Alfa Romeo seems to have found a ready market for its imports of 4 000 Daihatsu Charades. According to latest industry figures, it sold 1 128 units in two months, which gives the Charade better sales in that period than at least two locally-made products in the same price bracket.

General Motors (GM) has imported 110 Suzuki panel vans and four-wheel-drive vehicles. A GM spokesman says that, depending on demand, this could be the prelude to a local manufacture programme or the forerunner of further imports.

These two deals are very small in relation to total SA vehicle production. But if they herald a trend, the local motor manufacturing industry may have to get its head down with government over the local content programme.

Last year these deals would have been blocked by quantitative import control on new motor vehicles. It was recently abolished by government in accordance with our international trading obligations under

Recently, imported motor vehicles from Japan have twice vaulted the tariff walls which shield our local manufacturers. As government is loath to increase import duties, the industry may have to adapt to greater competition.

the General Agreement on Tariffs and Trade (Gatt)

That the imports occurred so soon after the lifting of controls suggests that competitive deals are not hard to find on foreign markets, especially while inflation here remains high. Inflation in Japan is currently less than 3% compared with more than 12% locally. This means that the yen price over the period of a year remains relatively stable, while the rand price rises fast.

Of course, cheap Japanese cars have flooded into the US, British and some European car markets. They are a matter of controversy in these countries, some believing they are forcing domestic manufacturers to be more efficient, others that they are destroying jobs.

Even if no significant progress is made in stabilising prices generally here over the next few years, there is unlikely to be a flood of car imports from the East. For Pretoria will not risk the country's large investment in the motor industry and the jobs it creates. Its course of action, however, could be significant. Apparently, the National Association of Automobile Manu-

facturers of SA (Naamsa) recently decided against asking government to increase protection by six votes to four with one abstention.

These differing views no doubt reflect the way each member believes it would fare if imports took a significant share of the market. Fewer restrictions on imports could, without the cost and delay of tooling up, make the most competitive overseas models immediately available to local manufacturers with the right international ties. But if such a manufacturer had already made large capital commitments in this country to long production runs on a single model, it might be forced to live with that model while its competitors cleaned up with a newer one.

Volkswagen has gone against the Naamsa majority decision by separately asking the Board of Trade and Industries (BTI) to raise tariffs. "Some other members must have voted against this because they see import opportunities for themselves," says Volkswagen MD Peter Searle. "Because the way the rules stand at present, the potential is there."

Well below capacity

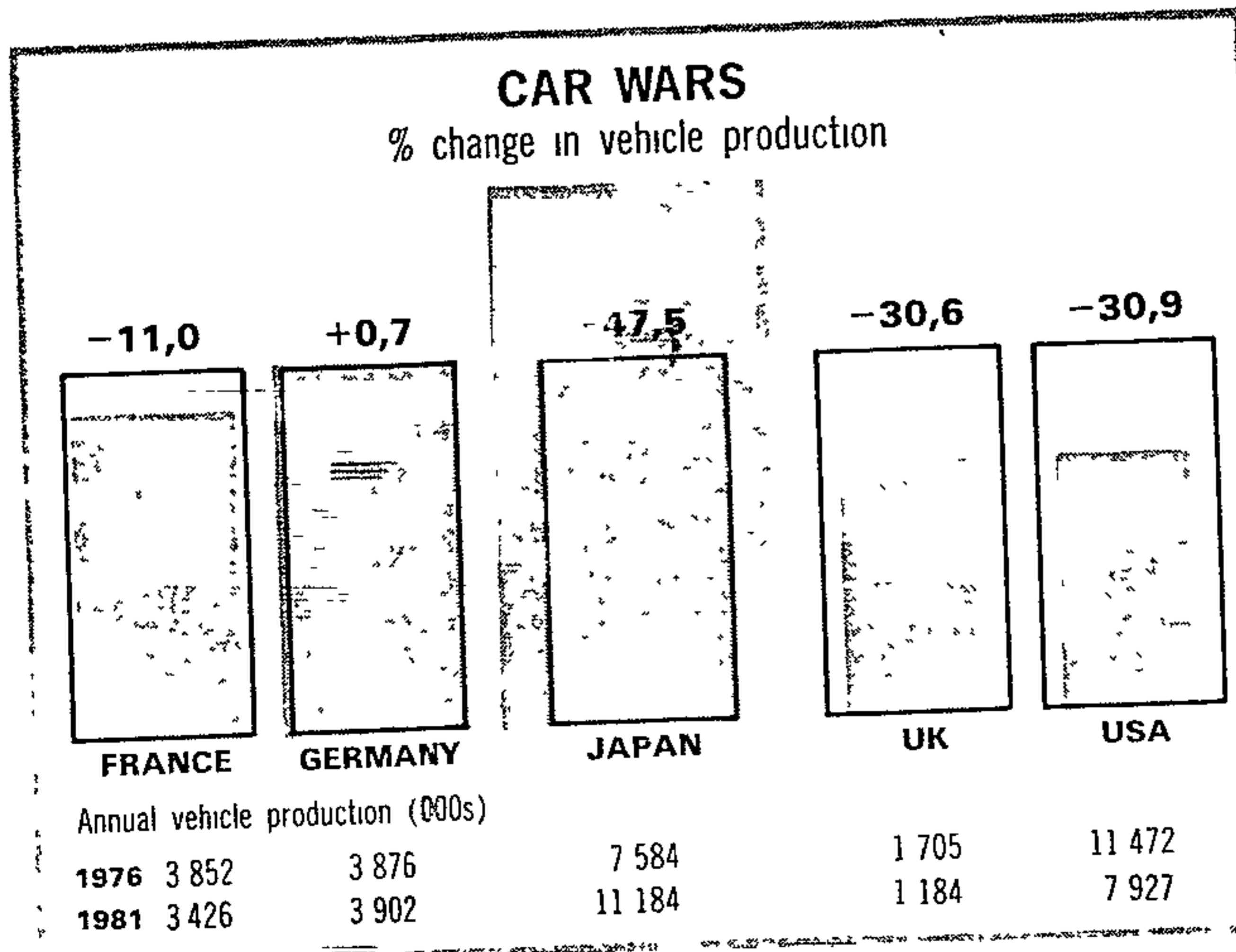
"The industry is already working below capacity in this recession. To allow imports other than exotic cars seems to be against the national interest. Even the consumer does not get a good price because the present tariffs serve largely to enrich the State."

Sigma MD Spencer Sterling is in the opposite camp. "It should not be our response to run to government just because the Japanese are creating new demand for their products," he says. "Sigma would import fully built up vehicles if we saw the demand and if we thought it unprofitable to invest in local production. Japanese imports have already entered New Zealand against similar protective barriers, so the same could happen here."

Toyota MD Colin Adcock is also against higher tariffs because, he says, the industry is adequately protected against normal competition. But he believes there could be a threat to local manufacturers from small imported vehicles where margins tend to be the smallest. He also says the local market could be the target of dumping.

SA has anti-dumping legislation, but it has not often been invoked and cases could be hard to prove. Nonetheless, there are rumours that at least one company is trying to prove dumping in the case of the Daihatsu Charades.

Apart from inflation, the fact of the matter is that by world standards our industry is uncompetitive. Says one motor man: "Over the last 10 years local manufacture has become increasingly unattractive due



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to the more stringent local content requirements

"There is a limit to the amount of protection we can have because we must maintain trade links with other developed countries. They buy our minerals and require that we buy something from them as a *quid pro quo*."

Some industry sources believe that, like countries such as Australia, SA may one day be forced by a combination of political and trading pressures to accept a regular quota of fully built up vehicles from Japan.

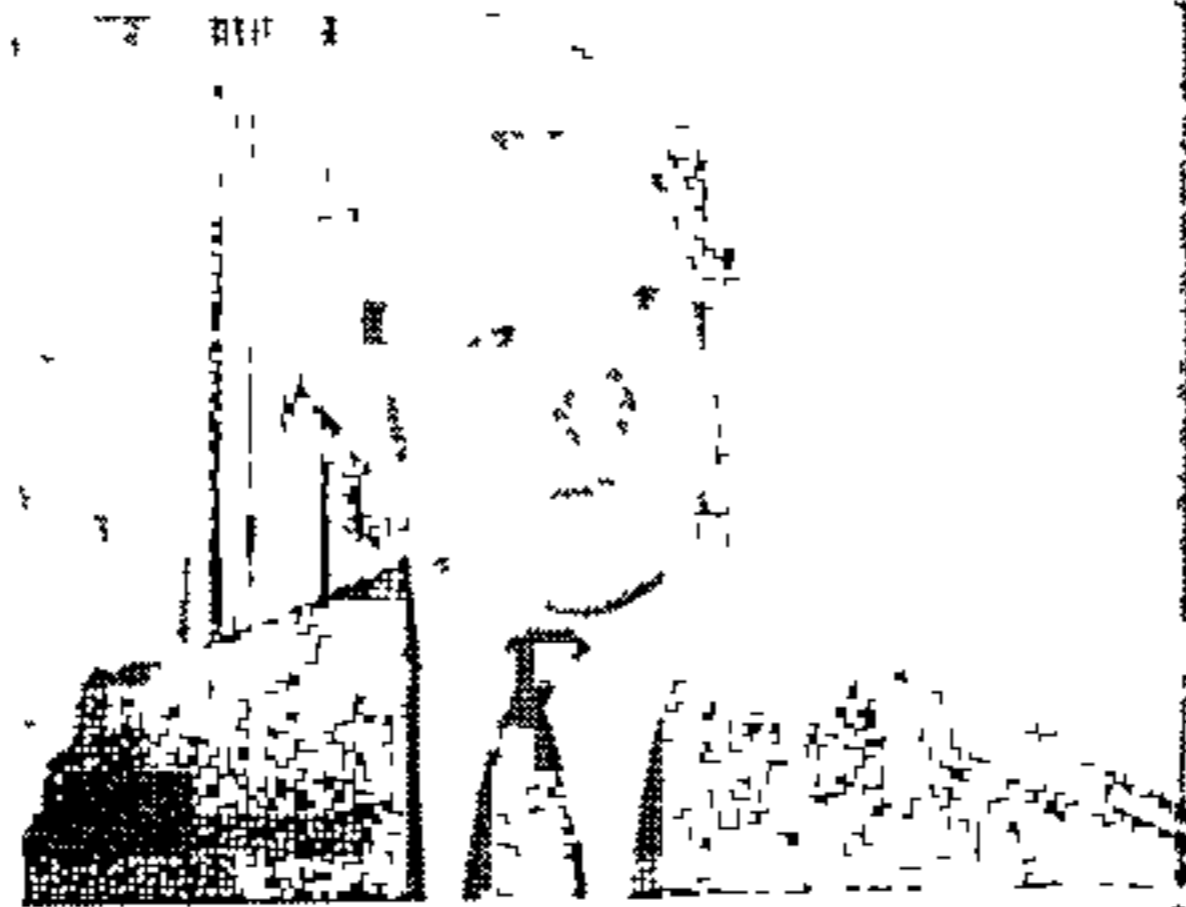
Through technological superiority and an orchestrated pursuit of national business objectives, Japan has wrested large chunks of the vehicle market from traditional producers in Europe and the US.

While motor sales of its competitors have actually declined since the mid-Seventies, Japan's went up (see chart) and in 1980 it overtook the US as the biggest producer in the world. It increased exports of fully built up motor vehicles from 2.7m units in 1975 to more than 6.1m in 1981, while keeping imports into its own country to minuscule levels, over the same period they actually dropped from 46 000 to 33 000.

SA government sources indicate that tariffs will not be raised. As it is, the duties are already embarrassingly high and government has recently demonstrated a determination to contain inflation by granting only moderate price increases to items such as maize, dairy products, electricity and fertiliser. It also took the politically bold step of keeping the lid on civil service salaries last year and has delayed giving increased tariff protection to other manufacturers who complained of unfair competition from abroad.

Government is equally unlikely to re-impose import controls in the form they once had. But it may in future use the mecha-

ROSHOLT FELLOWSHIP



Nigel Bruce, senior assistant editor of the FM, has won the Rosholt Fellowship in Journalism.

The award, one of the most coveted in journalism, is in its second year. Last year it was won by Jerry Schuitema, of the SABC. It is named after Mike Rosholt, executive chairman of the Barlow Rand Group, which sponsors the award, and is a three-month mid-career

study programme for senior journalists.

Bruce will spend 10 weeks at Oxford University, where he will attend the Centre for Management Studies in the UK and two weeks on *Time* magazine in New York.

The Rosholt Fellowship was awarded by a panel comprising the Governor of the Reserve Bank, Gerhard de Kock, as chairman, Tertius Myburgh, editor of the *Sunday Times*, Ton Vosloo, assistant MD of Nasionale Pers, and Richard Lurie, a past president of the JSE.

Bruce has three other awards in financial journalism: twice a winner of the Afrox Award (1978 and 1981) and in 1980 was the Sanlam Financial Reporter of the year. Last year he completed an Executive Development Programme at the J L Kellogg Graduate School of Management at Northwestern University in the US.

nism of quantitative import controls to allow a predetermined market share to imports.

If it follows this course, existing local content requirements are almost certain to be frozen at the present level of 66%, despite the fact that component manufacturers are preparing a case to have them raised. And it may happen that government could even reduce penalties to vehicle manufacturers who fail to reach the existing requirements.

Such steps may be needed to increase the competitiveness of the local industry and were taken in Australia when that country finally agreed to accept Japanese imports.

This could hurt some component produc-

ers and cause unemployment. But it would put the industry as a whole into a more healthy state, with less risk to jobs and profits in the long run.

Government has accepted that the old policies of developing protected industries for import replacement no longer hold. It is far better to encourage exports instead. The next step could be to open local markets gradually to foreign producers and to make our own industries more capable of selling abroad. Local manufacturers can thus expect tougher times as the old barriers against imports are eroded. But the sacrifice should eventually mean a more competitive and prosperous motor industry and more stable motor vehicle prices.

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EASTERN CAPE

Motor industry pay

Employers and unions in the eastern Cape motor industry have seldom found it easy to reach agreement in pay negotiations. This year's talks will probably be no exception, although there are some hopeful signs.

Wage negotiations are taking place this year at a time of declining sales. Not surprisingly, employers have been trying to persuade the black and coloured National Automobile and Allied Workers' Union (Naawu) and the white SA Iron and Steel and Allied Industries Union to agree to delay pay increases.

Sources in the industry say the white union is fairly amenable to the employer proposal. However, at a meeting of the industrial council for the industry on Monday, Naawu leaders pressed for increases. After the parties failed to reach agreement, it was decided to hold another council meeting on July 28.

Some industry sources believe that one implication of the decision to hold the next meeting so late in the month is that it will be extremely difficult to implement pay rises on August 1. In terms of an agreement between the parties, this is the earliest possible date that increases could have been introduced. So it would appear that employers have gained at least a month's

delay

A major problem with which they have to contend, this year no less than in the past, is the high expectations of black and coloured workers. Last year, for example, Naawu demanded a 75% rise in minimum pay at a time when employers' statistics showed wages had risen by 233% since 1975. A strike by members of the union then brought the entire eastern Cape motor industry to a standstill for more than a week.

Naawu is making similar demands this year. However, some observers say they detect a growing sense of realism among many workers. Says one, "I think they do realise that employers are not in a position to give them much at the moment. They have seen how many companies have had to introduce a four-day week and other similar measures due to declining sales. But, on the other hand, because this has caused workers' earnings to decline, it is understandable that they should want an increase."

Says another, "It would be foolish to rule out the possibility of a strike over pay this year, but I think there is a good chance that this can be avoided."

face to face

PETER SEARLE

Good relations



The FM speaks to Volkswagen (SA) MD Peter Searle about developments in labour relations within the eastern Cape motor industry.

FM: How would you describe your relationship with the unions in your company — the black and coloured National Automobile and Allied Workers' Union (Naawu) and the white SA Iron, Steel and Allied Industries' Union?

Searle: Generally very good. There have been very positive developments over the past few years and representatives of the workforce have become far more interested and involved in the running of the business, particularly in the issues that affect them. I think this is very heartening.

In our business, the worker feels more involved today than he was, say, five years ago. He is far more part of the business. As a result, I believe he is doing a far better job, is more interested in advancement and is very concerned about the quality of the product he is producing.

A problem that eastern Cape motor industry employers face is the high expectations of their employees. What are your feelings about this year's wage negotiations?

There is a negotiation taking place now and I would not like to comment on it any further. I can only say we are in the midst of an economic recession which has hit the eastern Cape, in particular, very badly. The possibilities of any sort of significant pay increase are very much diminished as a result.

Do you perceive any signs of a white

union backlash against emerging black unions?

The attitudes and feelings of the white union must always be taken into account. Our experience with unions goes back a long way and all along we have had a very definite policy of involving the white union in whatever developments have occurred. We have attempted to gain their understanding of the changing situation and the need for a policy of equality in labour matters. We have had excellent co-operation from them.

Do you believe there is merit in having a national industrial council for the motor manufacturing industry?

It would be advantageous to have a fairly uniform structure within the industry. There have been some moves in that direction, but at a fairly slow pace. Has your policy of employing full-time shop stewards proved to be a success?

The shop stewards have shown a very high degree of responsibility. They are a very valuable means of communication and negotiation with the workforce. They have brought a number of undesirable operating conditions to our attention which we have been able to correct.

Generally, I think there is a very healthy and favourable climate between the worker representatives and our own industrial relations people.

Do you think the importation of foreign vehicles by certain motor companies will harm the industrial relations climate in the industry, considering that such imports might retard local job creation?

I don't see it helping. It is very significant that the company that indulged in most of the importation immediately had to go onto restricted working hours.

Minibus sales in the lead

By SIMON WILLSON

Industrial Editor

THE increase in minibus sales continued to outstrip the rest of the motor market in the first quarter of the year.

Manufacturers say a shadow has since been cast over their market by the report of the Welgemoed Commission, which has recommended banning the use of minibuses as taxis.

Figures from the Central Statistical Services in Pretoria show that sales of new minibuses in March this year at 1 208 units were 32,2% up on the February total.

Sales of used minibuses in March, the latest month for which figures are available, were 1 448 units — a 14,9% increase on the February total.

Sales of new minibuses in the first quarter of 1983 totalled 3 334 — 20,3% more than in the same time last year.

First-quarter used-minibus sales totalled 3 773 — 13,3% less than in the first quarter of last year.

The Welgemoed Commission recommended withholding taxi licences from minibuses, and said taxis should be defined as vehicles carrying not more than four people plus a driver.

Toyota, market leader in the commercial vehicle sector, said minibus sales would drop by 30% if the commission's recommendations were accepted by the Government.

The National Association of Automobile Manufacturers of South Africa, the Automobile Association and the South African Black Taxi Association will oppose the commission's findings.

A breakdown of the sales figures shows that new-minibus sales in the PWV area in March at 132 were 34,7% up on February's sales. PWV sales of used minibuses totalled 63 — an increase of 12,5%.

Sales of new minibuses in the Western Cape in March totalled 72 — an increase of 105,7% on February sales.

Used-minibus sales in the area in March were 55% up on February sales at 228.

New-minibus sales in the Durban area at 74 in March were 4,2% greater than in the previous month. Used-minibus sales in the same area at 80 units were up 19,4%.

Court ruling ¹⁹² breaks new ground ¹⁸⁸ in labour practice

By Tony Davis,
Labour Reporter

An important Industrial Court judgment has laid down a number of rulings on employer-employee relations.

The judgment, released this week, was made by the court's deputy president, Dr DB Ehlers, in the case between Fodens (SA) and the United African Motor and Allied Workers' Union and three of its members.

The applicants alleged several unfair labour practices against the Alberton firm. The case was heard by the Industrial Court over two days in May.

At the start of the case attorneys for Fodens offered a settlement which provided, among other things, for negotiations with the union, a pledge not to victimise union members and a retrenchment procedure.

But the applicants continued with their case in spite of the settlement offer.

Dr Ehlers, in his judgment, made a ruling enforcing the terms of the settlement offer. He ordered the company to pay one of the applicants, a retrenched contract worker, regular and overtime wages from the period of his dismissal until the end of his contract. He also declared the derogatory remarks management staff had made to the union regarding pension fund pay an unfair labour practice.

In the judgment, Dr Ehlers pointed to at least 10 instances of unfair labour practice. These were failure to negotiate with

a representative trade union; worker freedom of association, use of derogatory terms to workers, refusing to undertake not to victimise workers, failure to negotiate any disciplinary code, the manner of conducting retrenchments; dismissal of a contract worker before his contract was up, refusal to refund contributions in terms of the contract and the pension fund issue.

The accumulation of these practices had a detrimental effect on employer-employee relationships, Dr Ehlers ruled.

"There was an absence and lack of any understanding of industrial relations or even a personnel function and also no disciplinary policy and procedure or retrenchment policy or guidelines as requested by the first applicant (the union) and no recognition of the union," the judgment said.

The three individual union applicants received pay-outs and the respondent was ordered to negotiate with the representative auto union.

But the applicants were not granted costs.

Dr Ehlers also outlined procedures for employers in the event of any retrenchment. Prior warning, fair application of an agreed retrenchment selection criterion, proper consultation beforehand with a representative union, adequate steps to seek alternative employment and the "first in, first out" principle, were important procedures to be carried out in the event of any lay-offs.

160 workers fired

Mercury
Labour Reporter

ABOUT 160 workers at a mosaic glass-tile manufacturing plant at Estcourt have been dismissed after a work stoppage this week.

Mr Simon Kapa, branch secretary of the South African Allied Workers' Union in Estcourt, said yesterday that the workers at Mosaic Producers refused to accept their notice of dismissal and had not collected their pay.

'They said they will return to their jobs on condition that their wages are increased. At present some earn less than R20 a week. They want the minimum wage increased to R50.'

He said the workers went on strike on Monday after management refused to act on a complaint by the workers' committee against another worker.

Mr Robert Craig, a director of Mosaic Producers, told the Mercury yesterday that the workers, mainly women, were dismissed after they ignored an ultimatum to return to work.

Cheap car imports raise questions

192 *AP* E. Post 16/7/83

By GARTH KING

WHY is it that Japan can produce a car like the Daihatsu Charade at less than half the price of our cheapest locally-manufactured equivalent?

Leading off from this is another question "Why is it that very basic models (like France's Citroën 2CV and Renault R4) are not made in South Africa?"

The base models manufactured in this country — like the Golf L — boast luxury features such as ventilation systems, carpeted floors, relatively large engines and many other accessories which are hardly necessary for a basic transportation unit

Basic units could include such features as screw-on-screw-off panels (to facilitate cheap repair) no carpeting, rudimentary ventilation systems and instrumentation — and engines smaller than 1 000cm³

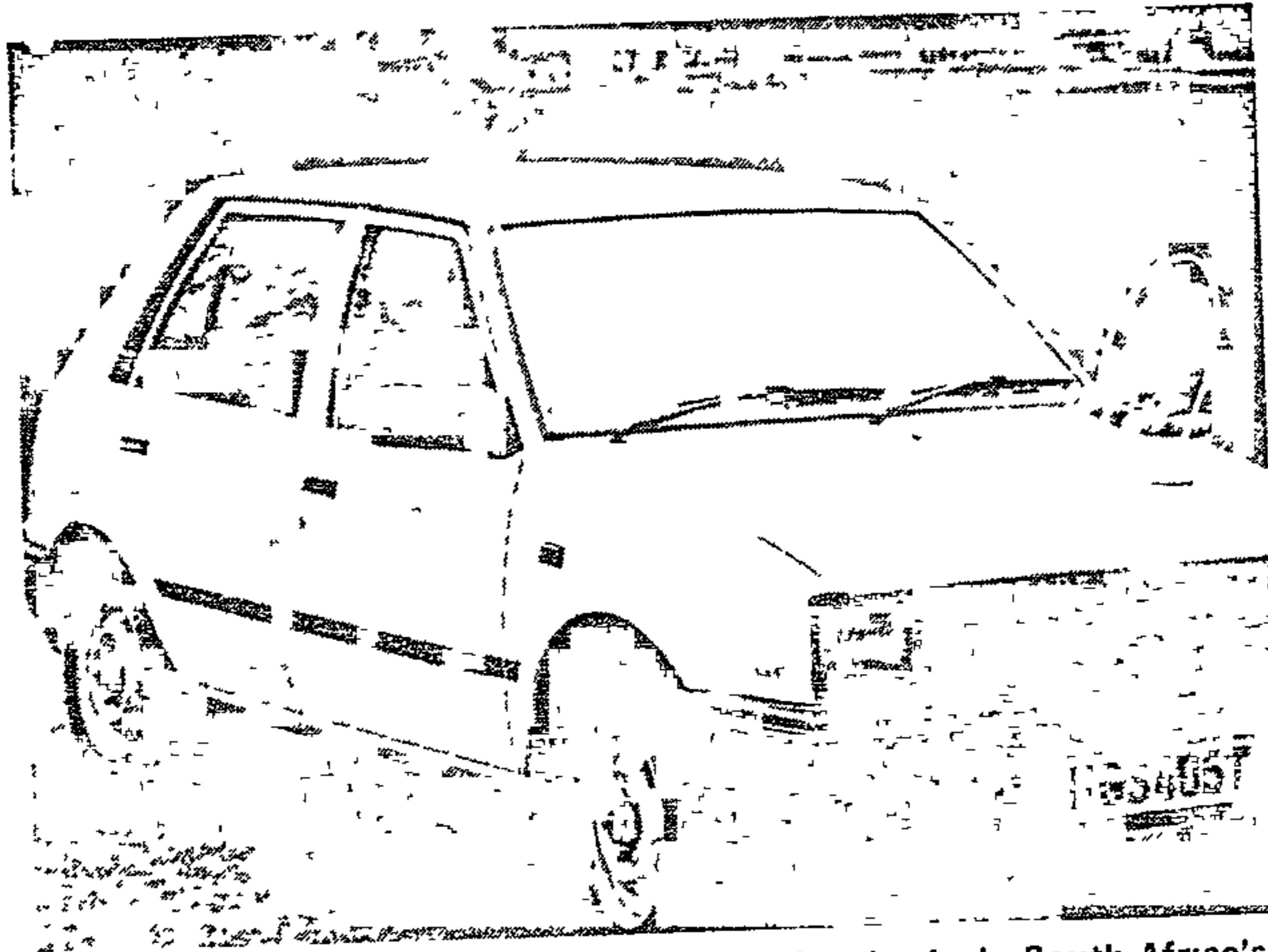
South African motor manufacturers claim that such crude transportation units would

- Not sell in this country in sufficient quantities to cover overheads because of their foreseen lack of popularity

- Not be much cheaper anyway because all that the manufacturer would save on was the amount of raw material used"

- Have small engines unsuitable for South Africa's long distances

The sad truth about the motor industry here, they say, is that the Government's insistence on 66% local content per unit and the labour-intensive nature of the industry keep prices climbing steadily skywards



Japan's Daihatsu Charade ... showing up drawbacks in South Africa's local content policy?

They claim, too, that until the local content rule is reduced to under 50% and until comprehensive automation is introduced car prices will remain high

However most manufacturers accept that the base car market will grow but it seems that their luxury features will remain — at least until the mid-term future

The Deputy Minister of Finance, Mr Eli Louw, said in the wake of the hullabaloo surrounding the importation of the base model Daihatsu Charade that "the truth is that it could also influence our people to produce cheaper cars"

The Minister of Commerce Industry and Tourism Dr Dawie de Villiers also reacted to the motor industry's pleas for higher import duties on fully built-up models and said that "if the market demands lighter types of vehicles it would be irresponsible to discour-

age the market in that direction"

Mr Graham Hardy, Press relations manager of Volkswagen, said this week that "a lot" of market research had revealed that there was no demand for a basic car

"The South African consumer is among the most informed in the world They look for the car which has most features

"Market research has shown that consumers want as many features packed into a package as possible -- and the same goes for the fleet-owners as well"

Mr Hardy pointed out that even if very basic cars — more basic than the controversial Daihatsu Charade — were introduced — they would not sell in volumes necessary to cover the investment and they would only be slightly less expensive than their much less basic counterparts

He said the South African

This saturation, it is claimed, makes it impossible for this country to compete, in any way, with the colossus of Japan which has an annual production of nearly five million

Their ability to spread their overheads is phenomenal — hence the low-priced Charade

The managing director of GM, Mr Lou Wilking, said this week that the South African public had, in the past, shown no inclination to buy very basic transportation units

He said the long distances motorists here covered coupled with the Reef's high altitude — which resulted in a 17% loss of engine power — made such a concept unpopular

Mr Wilking stressed the fact that the industry's labour-intensive nature, coupled with the local content rule made our cars much more expensive than Japanese

He said that some assembly plants in Japan were as big as the whole of the South African motor industry put together

"The decreasing costs of high technology and the increasing costs of labour make it increasingly impossible for us to compete with Japan" he said.

Major ~~win~~ win for Mawu

Mall Reporter

THE Metal and Allied Workers' Union (Mawu) has signed a major recognition agreement covering 1500 workers at five plants of the CI Industries group in Pinetown, near Durban.

The agreement, which gives the union plant-based bargaining rights and recognises shop stewards, was signed on Friday, according to a statement from Mawu.

CI Industries, makers of caravans, trailers and mobile houses, is the biggest employer in the motor industry in the area.

The Fosatu-affiliated union has begun negotiations with the company for wage increases that will be back-dated to July.

"We proved two things at CI Industries," said Mr Geoff Schreiner, the Mawu branch secretary.

"Firstly, that it is quite possible that recognition agreements be negotiated and signed in less than a month, and secondly that Mawu is one of the few unions in the industry seriously able to represent a properly multiracial membership."

SAFARI

A NEW turn in the dispute over automatic gearboxes for local buses comes with the decision by ZF of South Africa to invest R5-million by the middle of next year in a new plant to assemble its Econmat range of gearboxes for buses and trucks

ZF has already bought land for its factory, which will eventually include after sales, assembly and warehousing

Jurgen Dickomet, MD of ZF, told Industrial Week, "The Board of Trade has given us permission in writing to set up a plant to assemble these gearboxes. We will be paying duty on them but are confident that against the high technology and efficiency of these units, there will be no marketing difficulties."

The Government gave SCG protection against imports in December last year, by imposing a duty of R3,50/kg, plus 20% ad valorem excise duty, applicable to vehicles ranging between 13 000kg gross vehicle mass (GVM) and 17 000 kg GVM

ZF to invest in gearbox plant

Staff Reporter

Putco has already ordered 200 buses from Leyland, fitted with Voith gearboxes

This brings the total of market contenders for automatic boxes to four and in today's market of about 2 000 buses, of which half have a market share of 250 automatic gearboxes a year for each supplier

Said Dickomet, "This is not enough in manufacturing terms and means that ZF will have the advantage over SCG in being able to supply the truck market as well as the bus market, but Voith and SCG are both bus boxes

"We have started this month assembling attachments onto the basic units, and the Board of Trade says there are no regulations to prevent this. The Government has only given SCG duty protection, not exclusive manufacturing rights

"We feel that our advantage lies in the broad market spread in terms of engines, we can supply boxes for all ADE types from the 407 model, upwards. This includes a range of from 600 Nm to 1 350 Nm, and features four and six speed boxes with micro-processor controls that provide lock-up in each gear and up to 2 000 different programmes to change shifting points

"Lock-up enables fuel savings of between 5% and 8% against mechanical gearboxes, and the integral retarder prolongs brake life by a factor of ten," he said. In the ZF price range of between R9 000 and R13 000, duty will amount to about R1 000 a unit. "We are looking at an eventual 30% local content in a market share of between 500 and 800 units a year

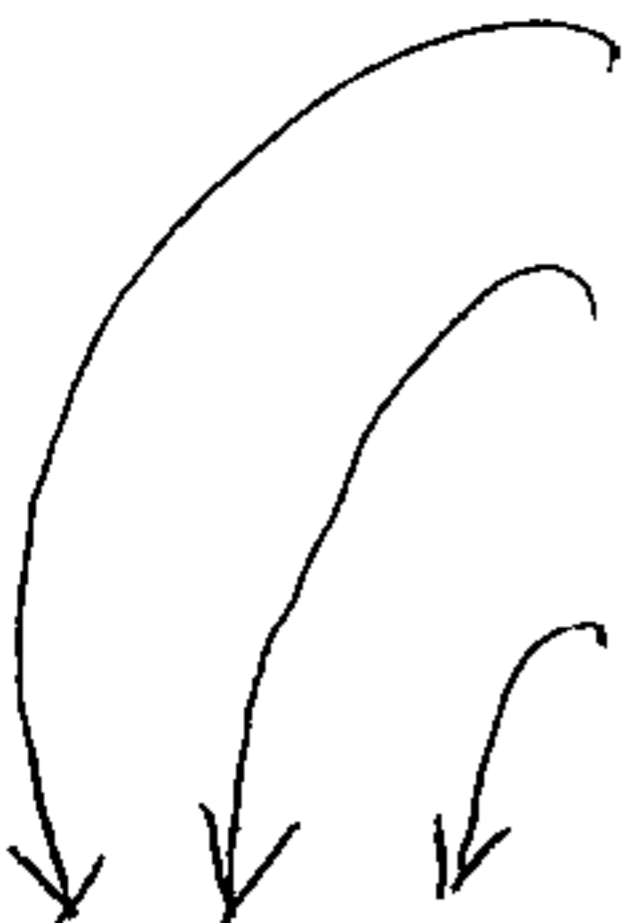
"By the end of this year we will have R200 000 invested in assembly, which will be stepped up to about R5-million when we have built the new factory for assembly, and warehousing, next year. We have already bought a plot of land at Jet Park for R1-million," said Dickomet. ZF currently employs 45 people, who will initially be handling Econmat assembly. ZF holds 32% of Astas stock, which is controlled by Sandock Austral Sandock, in turn holds 26% of ZF of South Africa. "This linked stock holding enables us to look to Astas to manufacture our gearboxes in future. It is a question of volumes. When we have reached a certain market penetration, assembling for ourselves, we will hand manufacture over to Astas. Astas, at the moment, is only manufacturing mechanical gearboxes. "ZF is an after-sales service and we are not interested in duplicating the Astas investment in gearbox production. As soon as Astas takes over production, ZF will resume its main interest after sales," he said. The Econmat is otherwise known as the HB 500 and HB 600 automatic gearbox range and was launched in Germany in 1978 at a total design and development cost of about R30-million. ZF introduced the unit to South Africa in 1981. "The Econmat is one of the most sophisticated, smallest and lightest automatics on the market. "In competitive terms, the excise duty doesn't worry us unduly because we have a mass advantage which, I am sure, will favour us in the long run. The Econmat has a mass of only 270kg and is 730mm long," said Dickomet

Duty

The duty relates to both automatic and semi-automatic types, and covers SCG's new Series 400 hydramatic gearbox, 60 of which have been bought by Durban Municipal Transportation Board, and the existing 300 Series pneumocyclic types

SCG is moving into local content with its gearboxes and has placed contracts with Associated Transmissions and Steerings (Astas) to produce gears, shafts and other components for the gearboxes, to be assembled at the SCG factory in the Cape. SCG will also be sourcing bushes, bearings and other components locally and intends expanding its assembly operation soon.

The decision by ZF to assemble subcomponents of the Econmat range meets SCG's plans head on and signals the start of intensive marketing. There are two other automatic gearbox companies on the local scene - Allison, which a traditionally supplier, and Voith, a new franchise for buses just taken on by VOMS, a wholly-owned



Motor spares firm owes R10 million, court told

Jul 26/7/83 (192)

In an urgent application in the Rand Supreme Court yesterday, Associated Engineering (SA) Ltd (Asseng) made a bid to take possession of the stock and conduct the business of its former associated company, Associated Engineering Motor Spares Ltd

...rity for about R9 million owing to Asseng

In papers before the court Mr Johan August Meyer, director of Asseng, said Motor Spares had failed to comply with demands to pay off the debts, hand over its stock or provide Asseng with monthly management accounts

as the security was diminishing daily while Motor Spares continued dealing with the stock.

Motor Spares also owed Asseng at least R1 million in repayment on a loan of R2 million made on June 17, Mr Meyer said

The hearing was postponed to August 2 and both parties were ordered to file further affidavits

By a bond registered on June 6 Motor Spares pledged its stock as secu-

He said the matter was "commercially urgent"

More train crash victims named

Pretoria Bureau

Four more victims of Friday night's train disaster near Hammanskraal were yesterday identified by their families

A spokesman for the South African Transport Services said today that the next of kin of five victims had now been informed of their deaths

Those identified are an 18-month-old boy, Happy Sam Mahongoa, identified at the week-end, Mr Elias Bosh-

mane, Mr Julius Phago and Ms Violet Lesudi, all of Tembisa township, and Mr Johannes Tau of Potgietersrus

Ten people were killed and 89 injured at Hammanskraal Station when a Pietersburg-bound passenger train and a goods train collided

A spokesman for Kalafong Hospital in Atteridgeville said 19 of 25 accident victims admitted to the hospital were still receiving treatment.

No leads in hunt for killer

East Rand Bureau

Police are still hunting for the killer of Daveyton community councillor Mr Jacob Ratale, who was shot seven times in his shop last Friday

A police spokesman said today no leads had been received, but intensive investigations were continuing

Mr Ratale is the second community councillor in Daveyton to be murdered Mr Andrew Nxumalo was killed by an unknown gunman last year.

Both men were on the 'hit list' of the killer — together with Mr Tom Boya, Daveyton Community Council chairman and another councillor, Mr K Manzini, who died a natural death

Mr Boya is the only survivor on the hit list.

Gre are

Unemployment rate rose to 12.5% in April from 12.1% in March. There was a 0.4 percentage point increase in the unemployment rate in the first quarter of 1983. The unemployment rate in the first quarter of 1983 was 12.5% compared with 12.1% in the first quarter of 1982. The unemployment rate in the first quarter of 1983 was 12.5% compared with 12.1% in the first quarter of 1982.

Lewis ordered that the...ments be submitted July 29, or else the...ay of execution would set aside with immediate effect

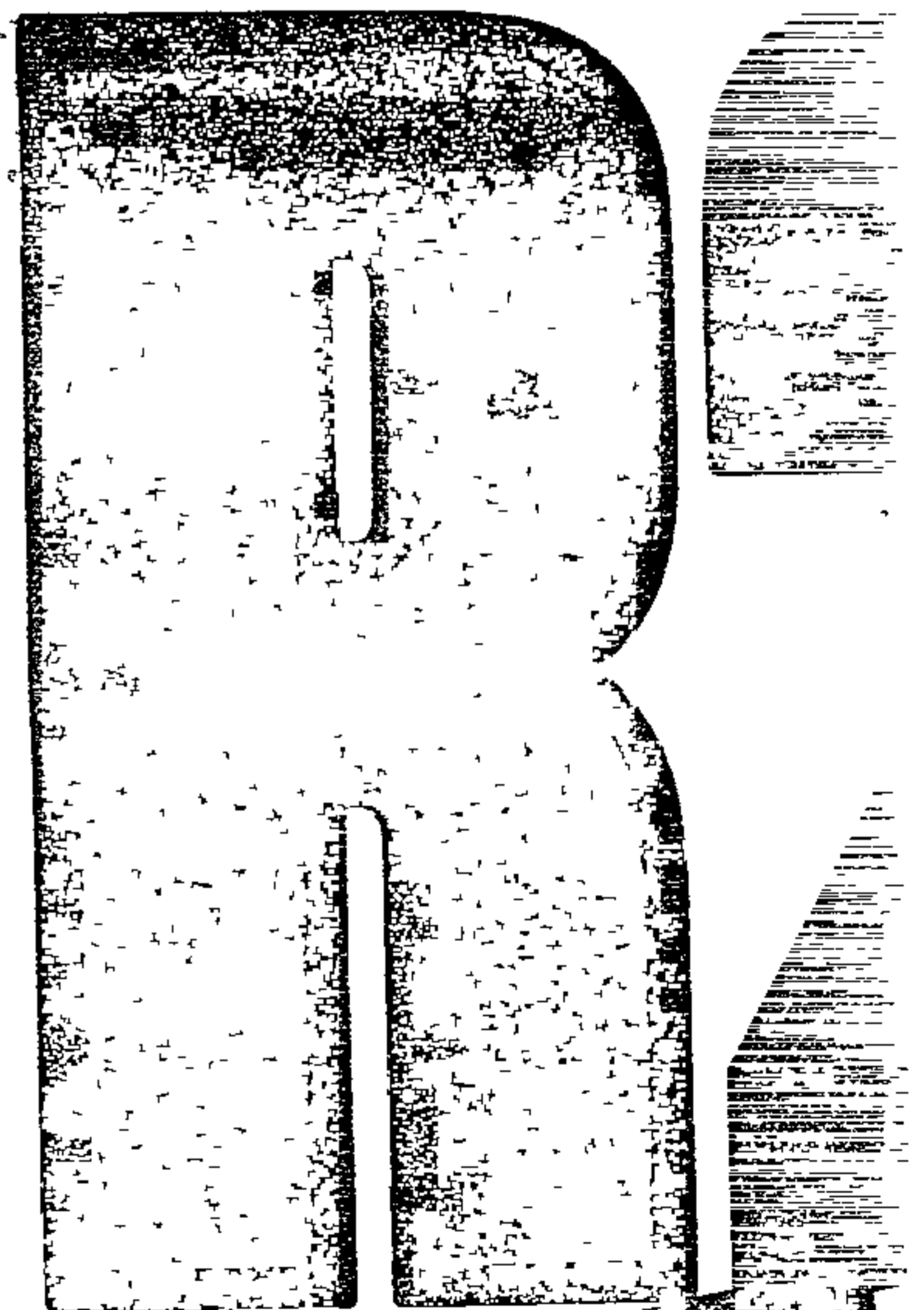
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6009



TRAY

Here's your chance to snap the moments you missed with a new compact Kodak disc camera. All you have to do is...

~~187~~ ~~187~~ ~~187~~ 192

PRESS STATEMENTS

July 1983



CANTEEN BOYCOTT ENDS IN RECOGNITION

A FOUR week boycott of the company canteen has eventually ended with the management of Dunlop S A Limited and the Metal and Allied Workers Union of S A. concluding a full recognition agreement covering the union's members at the plant

The Agreement gives the union full negotiating rights at plant level for its 900 members and covers shop steward recognition, grievance, dismissal and retrenchment procedures

The Agreement took nearly 6 months to negotiate and involved the company withdrawing from and hence closing down the Durban Rubber Industrial Council which covered the Durban plant of Dunlop. The one union which was party to the Council, the Durban Rubber Industrial Union, will also probably be closed down as the Company is obliged in terms of its recognition agreement with the Metal and Allied Workers Union to cease giving facilities to minority bodies

The MAWU Branch Secretary Mr Geoff Schreiner hailed the agreement as a very important step forward for MAWU in the Durban area and said that while the negotiations had been tough the union was satisfied with the outcome and would test the agreement in its practical application at the shop floor

15 7 83

ANOTHER MAJOR RECOGNITION AGREEMENT SIGNED

THE Metal and Allied Workers Union of S.A signed another major recognition agreement on Friday with the C I Industries Group in Pinetown.

The Agreement follows two days after the Union's Recognition Agreement with Dunlop S A in Durban, and covers all five C I Industries plants in the Pinetown area where the Union has majority membership

C I Industries is the biggest employer in the motor industry in Pinetown employing some 1 500 employees engaged in the manufacture of caravans, trailers and mobile housing units

The Agreement gives the union plant based bargaining rights and covers the recognition of shop stewards.

The parties have immediately embarked on wage negotiations for minimum and across the board increases which will be back paid to the beginning of July

'We proved two things at C I Industries' said Geoff Schreiner, MAWU Branch Secretary – 'firstly that it is quite possible that recognition agreements be negotiated and signed in less than a month and secondly that MAWU is one of the few unions in the industry which is seriously able to represent a proper multi-racial membership'.

18 7 83.

NEW PRECEDENTS

Fm 15/7/83 ~~105~~ ~~1143~~ 192

The Industrial Court appears to have created important new precedents in SA labour law in a case between the United African Motor and Allied Workers' Union (Uamawu) and Fodens (SA)

Lawyers involved in the case are still studying the judgment which gives new guidelines on unfair labour practices. But it appears that one implication is that the court is willing to order an employer to bargain in good faith with a representative trade union. In an earlier judgment involving the SA Society of Journalists, the court had made such an order in circumstances where there had been a long-established relationship between a union and an employer. In the Uamawu case, the obligation on an employer to bargain in good faith seems to extend to circumstances where such a relationship had not yet been established.

The court has ordered the company to implement formal undertakings it gave during a court hearing in May. These included promises:

- Not to victimise employees who are union members,
- Not to interfere with the freedom of association of union members, and not to persuade them by any unlawful means to join another union,
- To immediately begin negotiations in good faith with the union on the signing of a recognition agreement, as well as retrenchment, grievance, disciplinary policies and procedures,
- To instruct directors, managers and employees not to use any word which is derogatory of employees,
- Pay two employees their average wages (including overtime earnings calculated on the basis of their earnings for the six months immediately before their dismissal) from the date of their dismissal to May 16 this year and
- Utilise the services of the Wits Business School labour academic Loet Douwes Dekker as a mediator when deadlocks occur.

142 Star 25/7/83

Sigma to act after quality complaints

Pretoria Correspondent

Sigma, a major Pretoria motor manufacturer, has launched a "fix-it" campaign after complaints of the quality of some of its vehicles

The public relations officer for Sigma, Mr Leon Shirley, said that a programme had been launched three weeks ago that involved almost 3 000 people

"The programme concerns the filling in of a questionnaire by owners of 505 and 305 vehicles bought during 1981 and 1982.

"We know that there were quality control problems at that stage of production and would like to make sure our customers receive satisfaction," Mr Shirley said

He added that if the owners of such vehicles registered complaints, Sigma's customer care department would contact them and inform them of their nearest dealer, who would receive instructions from Sigma to correct the fault

The majority of complaints received were of poor finish or of electrical faults, Mr Shirley said He added that

no major mechanical problems had been reported

"Sigma would never have let a car with any major defects leave the factory floor"

Sigma had, under instructions from the company's new managing director, Mr Spencer Stirling, imported Peugeot technicians from France at the beginning of the year to improve the production line and service facilities of Peugeots

Mr Shirley said that the firm had been a little surprised at the Press statement released by the Consumer Council indicating that it was to launch a similar programme.

Sigma representatives had met the Consumer Council and thought that the meeting had been handled in a friendly manner and ended amicably.

"The council had three complaints and we offered to contact the owners of the vehicles and to correct whatever faults there were

"It accepted the offer. It also indicated that other motor manufacturers would be approached on a similar basis later on in the year," Mr Shirley said

ON THE...
Hospital main-
rew to effect the

Dr L Cilliers, the medical
superintendent at the Pro-

ways other equipment w
serve as a back-up

"My child was hysterical postponed

CC will hold seminars in PE and Uitenhage

Post Reporter

Sol Jacob, director of the South African Council of Churches, will hold a series of seminars in conjunction with the East Cape Council of Churches.

27 — meeting with the unemployed in Uitenhage from 9 to 5 30pm

28 — meeting with the unemployed at the Holy Trinity Church, Havelock Street, from 12 30 to 2pm, with representatives of trade unions at the House of Prayer, Salsonville, from 2 30 to 4 30pm, and a meeting with employers or businessmen at St John's Church, Havelock Street, from 5 to 6 30pm

29 — meeting with clergy at the Arthur Welling Church, New Brighton, from 9 30 to 11 30am
For further information contact Mr S Macozoma or Mr P Verryn at 21448 or the Rev P Verryn at 26771

SA trade does well

PRETORIA — South Africa recorded a favourable trade balance of R2 939,8 million for the first half of this year, according to preliminary statistics released today by the office of the Commissioner for Customs and Excise.

Exports for the first six months totalled R10 352,7 million, compared with R8 670 million for the corresponding period last year.

The country's total import figure for the first half of the year stood at R7 412,9 million down on the previous year.

Europe remained the major importer of SA goods — Sapa

East Cape motor trade wage talks resume tomorrow

Post Reporter

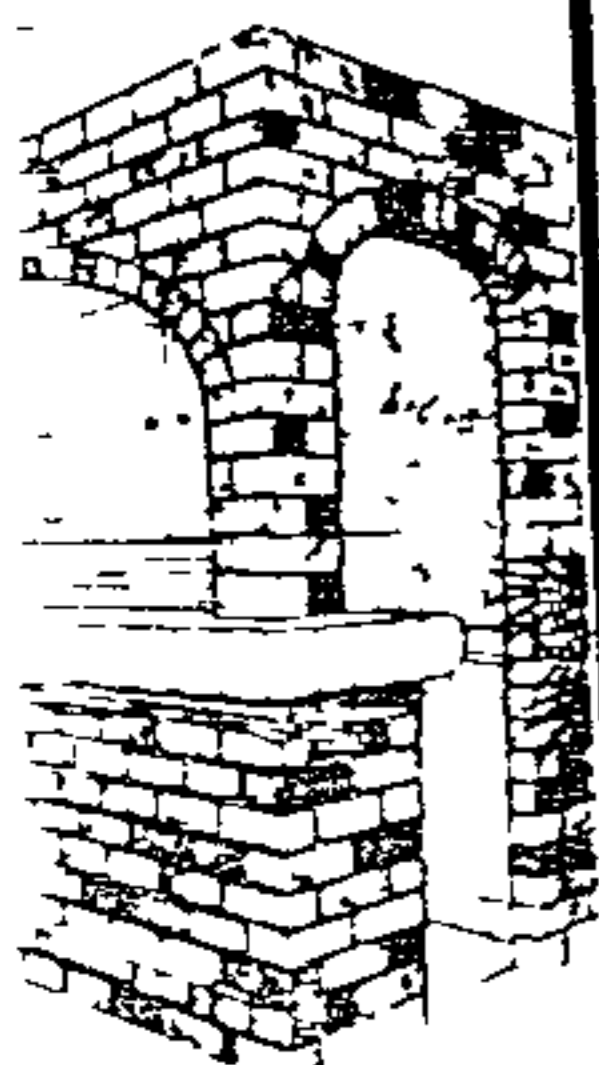
A SECOND round of wage negotiations in the Eastern Cape's motor industry resumes tomorrow, with unionists anticipating counter-proposals from employers.

Union proposals were tabled when the talks opened early in July and are believed to restore wage demands at minimum levels of R3,25c an hour which last year led to prolonged deadlock and strikes.

Parties to the new series of talks — conducted under the umbrella of the Industrial Council, Automobile Manufacturers Association, Eastern Province — are

- The Eastern Province Automobile Manufacturers' Association — chairman, Mr Fred Ferreira of Ford (SA),
- The National Automobile and Allied Workers' Union — general secretary, Mr Freddie Sauls,
- The SA Iron, Steel and Allied Industries Union — general secretary, Mr Henry Ferreira

The Motor Assemblers and Component Workers Union of SA is not registered and is not a party to the talks.



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90 cm	39c
120 cm	59c
150 cm	79c
180 cm	99c
205 cm	129c
230 cm	159c
245 cm	189c

PORTULOS

599

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SUNFILTERS**

199

**AMERICAN
TWEED CURTAINING**

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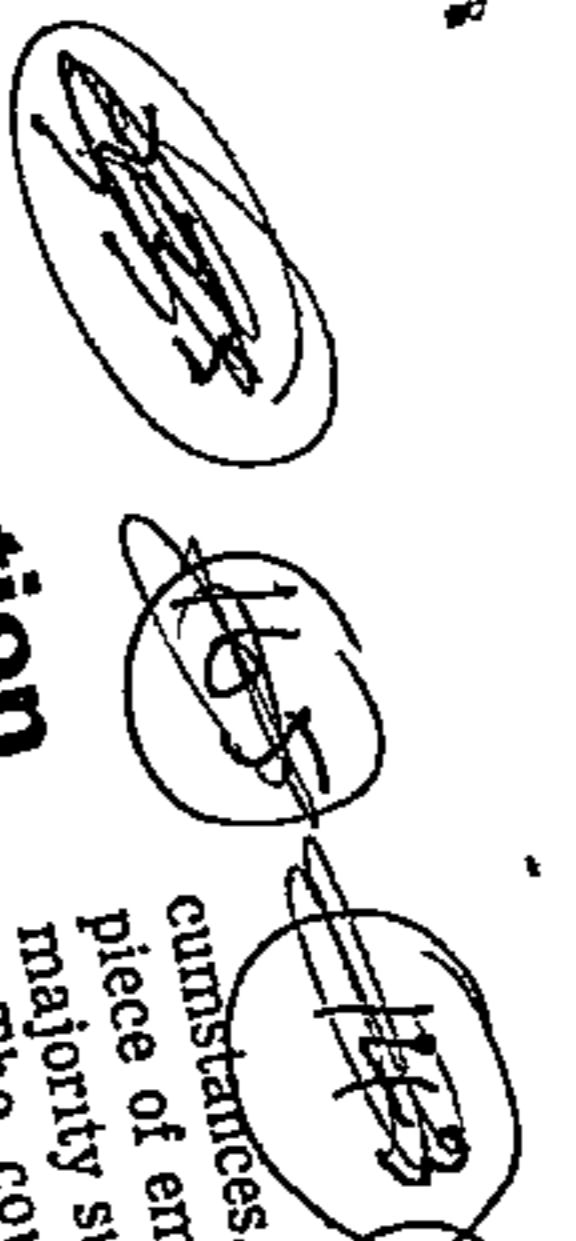
199

unfair dismissal never actually amounted to dismissal. Therefore, such a dismissed person is entitled to receive all pay and benefits owing to him since his unfair dismissal

22/7/83

FM

1972



UNIONS Employer obligation

Employers faced with decisions over union recognition, dismissal and retrenchment would be wise to study the Industrial Court's determination in the case between Fodens (SA) and the United African Motor and Allied Workers' Union (Uamawu). Last week the FM provided lawyers' initial impressions of the implications of the case. Some who have had time in the past week to analyse the court's findings are able to give a more detailed interpretation of the case, which seems to create extremely important new precedents that the court is likely to believe it shows that the view that they believe it shows towards the obligation moving increasingly towards an obligation to an employer does have a representative bargaining in good faith with a collective union. They say the court's reasoning appears to be the following: therefore there should be a good reason why people should gain a good reason why people should seldom be good around a table and talk. In such circumstances, the most appropriate mouthpiece of employees would be a union with majority support.

The court's determination in the Southern African Society of Journalists' case an important step further. There the effect was to order an employer to bargain in good faith where there had been a long-established relationship between the Fodens employer. The determination in the obligation seems to imply that there is an obligation to bargain in good faith with a representative union, even if there has been no relationship with it in the past. The Fodens case also shows that the court believes that retrenchments must be conducted in a fair manner and that employers must use objective criteria, such as last-in-first-out (lifo), and not retrench people for disciplinary reasons. The implication of the decision on an application by one dismissed employee appears to be that the court will rule that an

Motor ~~197~~
E. Post
industry ~~2/8/83~~
wage ~~2/8/83~~
talks ~~192~~
continue ~~192~~

Business Editor

WORKERS and employers in the Eastern Cape's motor industry meet for the third time tomorrow in a new bid to conclude a wage agreement

The latest talks were scheduled after last year's impasse when union demands for a minimum wage of R3,25 an hour led to deadlock and strikes. Employers subsequently raised wage levels unilaterally, but agreed to stage regular 'six-monthly talks

In the first session in July union representatives are believed to have reopened demands at minimum levels of R3,25 an hour

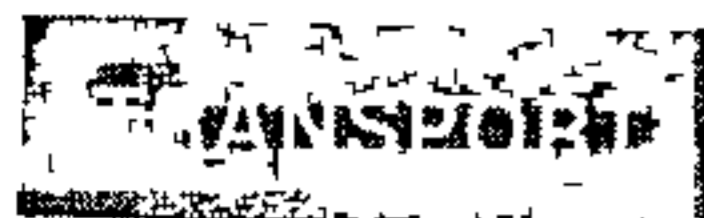
Since this first round employers and unions have both tabled counter-proposals and at today's talks reaction is expected from the employer body, the Eastern Province Automobile Manufacturers' Association (Epama), to amended proposals from the unions

Representing the workers at the talks, which are being held under the umbrella of the Industrial Council, Automobile Manufacturers' Association, Eastern Province, are

- The National Automobile and Allied Workers' Union (Naawu)
- The SA Iron, Steel and Allied Industries Union (Saisai)

Current chairman of the council Mr Henry Ferreira said yesterday he had no comment

Epama chairman Mr Fred Ferreira would also not comment and Naawu general secretary Mr Freddie Sauls was not available for comment



192 Industrial week

Local units are geared for take-off

2/8/83

Staff Reporter

THE first locally produced components for bus gearboxes, comprising gears and shafts, will shortly be delivered by Austral Sandock Transmissions and Steerings (ASTAS), part of the Gencor Industrial Group, to SCG Wilson Gearboxes

SCG, it will be remembered, received Board of Trade go-ahead for its local content plans in 1980, followed by import duty protection introduced in November last year, whereby gearboxes imported for buses between 13t and 17t gross vehicle mass, now carry a duty of R3,50/kg

SCG accepts that this

will not deter importers of competing units, and this week told Industrial Week "We are not relying on Government protection to sell our gearboxes. We will meet any competition, from any quarter, on the grounds that the SCG boxes, which currently account for 60% of South Africa's total bus park, have attained market dominance on merit"

Protection philosophy was based on the fact that local manufacture involves considerable investments in machinery,

tooling and manpower which importers do not have to meet, he said

"We have been assembling the series 300 pneumocyclic gearboxes locally since 1980 - there are about 10 000 in service - and went ahead not knowing what the final Board of Trade duty levels would be. These were only announced much later"

Local content will be boosted once assembly of the company's new series 400 gets under way, around October "We will

reach 15% local content by the end of the year, and about 50% by the end of 1984," said Wyatt

Ahead

The first 60 units to see service will be fitted to Leyland buses bought by the Durban Transport Management Board, to be delivered by the middle of next year

Said Wyatt "The new SCG 400 series is a fully automatic gearbox, and has the added advantage of being suitable for use as a semi-automatic. Competitive designs do not have this flexibility of application, and we are ahead of the market in this respect"

Option

Both types have built-in retarders, and can be converted from automatic to semi-automatic operation, and vice versa, at a later stage

Next year SCG launches an option for the series 400, featuring torque converter drive in-

stead of the fluid flywheel. The option has just been launched in Europe, and results in a unit that is smaller and lighter than the standard gearbox. It needs only four gears instead of the five that are used in conjunction with the fluid flywheel, and is primarily intended for rear engine configurations

Expanding

Said Wyatt "We are expanding the range from the 300 pneumocyclic types, based on substantial commonality of parts for low-cost operation and ease of servicing. We are on schedule with what we see as a long term commitment, and we are backing this with all the investments that go with it. But local sourcing will have to be built on an economic base so as not to fuel inflation," he said. SCG has already assembled 1 000 of the series 300 pneumocyclic type to local users, and has already started marketing the 400 hydracyclics nationally

withdrawn

THE millionaire son who appeared in the Randburg Magistrate's Court ten days ago after his father brought a charge of unauthorised borrowing against him had the case withdrawn by the State on Monday.

Mr Clifford Press, son of Mr Sydney Press, former chairman of the Edgars Group and owner of the July winner Tecla Bluff, appeared on allegations of unauthorised borrowing as well as assaulting Mr F Truswell, a friend of his father.

The charge sheet alleged that Mr Clifford Press had removed personal documents from the control of his father without his father's permission between June 21 and 26 with the intent to use them for his own purposes.

Mr Clifford Press did not appear in court on Monday.

Ban on Saspu paper lifted

By ANTON HARBER

THE South African Students' Press Union (Saspu) has won an appeal against the banning of the May 1983 edition of its newspaper Saspu National.

This means that Saspu has succeeded in having bannings overturned every time it has appealed to the Publications Appeal Board.

Of five bannings in the past 18 months, three have been overturned on appeal and two are still pending. Before then Saspu had not appealed against bannings.

The two appeals still pending are against the banning of another publication Saspu Focus.

Saspu also won recently an appeal against a ruling that would have forced it to submit copies of every edition to the censor before distribution.

Saspu distributes about 15 000 copies of its newspapers on and off campus.

Supreme Court test for labour law issue

By STEVEN FRIEDMAN
Labour Correspondent

A KEY labour law issue — the refusal of the industrial court to grant costs to parties who win cases before it — is to be tested in the Supreme Court for the first time.

In general parties who use the court — a key element in the new labour dispensation — must pay their own legal costs even if they win the case.

Lawyers have argued that this places a severe financial burden on unions and workers who have limited resources and therefore sharply limits their ability to make use of the court.

Now the United African Motor and Allied Workers Union, an affiliate of the Council of Unions of SA, is to appeal to the Supreme Court against an industrial court decision not to grant it costs in an

action it recently won. The case against motor firm Foden's was seen as a key precedent-setting case because the court ordered the company to negotiate with the union a decision which was seen as an endorsement of the view that employers are compelled to negotiate with majority unions in their plants.

The union's lawyer said yesterday that the appeal against the court's decision not to grant costs had already been noted. He said the appeal also dealt with certain technical matters in the court's judgment.

The law setting up the court severely limits its right to award costs to the party which wins an action.

The court may do this only if it finds that one of the parties brought the action or opposed it "frivolously" or "wilfully".

In practice, the court has not used this power and in all the cases brought before it each party has had to pay its own costs regardless of the result.

Unions and lawyers argue that this acts as a powerful bar on unions and workers' ability to use the court.

In actions before the court one side's costs may be well in excess of R10 000, a sum which, unions and lawyers argue, is often beyond the means of workers and their unions.

The knowledge that they will have to pay this amount even if they win their case often means that they avoid using the court, thus frustrating the purpose for which it was established, they argue.

The Foden's appeal will test this principle and is therefore certain to be closely watched by both employers and unions.



Tara Simpson, 19, of Parkmore, Sandton, shows off some ropey seamanship in the rescue craft which is to be raffled by the National Sea Rescue Institute at the Ellis Park Boat Show between August 10 and 14.

Picture: RAYMOND PRESTON

New row looms over land plan

Labour Correspondent

A NEW wrangle between the leadership of the Johannesburg Municipal Combined Employees' Union and a "reformist" group in the union seems imminent.

Yesterday the "reformists" lodged an objection to the union's decision to buy 13ha of land in Eldorado Park for R52 000 even though the union's chairman, Mr George Huntley, signed the deed of sale for the land on Monday.

The union plans to build flats and a shopping complex on the land and says the flats will ease the coloured housing shortage.

The "reformists" are using a clause in the union's constitution which says it may not buy land without giving members 30 days in which to object to the purchase.

If five or more members object within that period, the union must hold a ballot on the issue.

Weather

THE Weather Bureau's forecast: **TRANSVAAL** — Fine to partly east and north. Frost will occur. **FREE STATE** and **CAPE** north but warm over Gordonia. It will be State in the morning and frost. **CAPE** south of the Orange — south west coasts with light rain along the west coast. **NATAL** — Fine to partly. **SOUTH WEST AFRICA** — **BOTSWANA** — Fine to partly.

TEMPERATURES ARE CELSIUS °C

Rand Daily Mail
Weather Station

YESTERDAY TUESDAY
August 2 1983
Temperatures
09h00 14h00 21h00
14°C 19°C 11°C
Humidity
25% 20% 40%
Max temp 20°C
Min temp 6°C
Rain 24 hours to 20h00
Nil
Sunset today 17h42
Sunrise tomorrow
06h46



SOUTH AFRICA

	°C	Jan
Bloomfontein	20	F
Cape Town	17	F
Durban	28	Port
East London	21	Port

SOUTH AFRICA Hottest at 14h00
derton — 3°C
TRANSVAAL Hottest at 14h00
ton — 3°C

THE WORLD

	Min	Max
	°C	°C
Amsterdam	14	18
Athens	23	35
Berlin	14	20
Brussels	11	19
Buenos Aires	5	11
Chicago	19	30
Hong Kong	27	32
Jerusalem	18	30
Lisbon	16	26
London	13	18
Madrid	18	33

Police believe US couple were murdered

STUTTGART — Soldiers found two decomposed bodies in the cellar of an American military apartment house on Monday and police believe the couple were murdered, a US Army spokesman said yesterday.

The spokesman for the Stuttgart military community said residents of the apartment block in the US Pattonville Military Housing Area alerted the Army administration office when they noticed a

foul odour coming from a storage room. "The decomposed bodies of a man and a woman wrapped in blankets and a canvas-type material were found in the storage room," the spokesman said.

He said the circumstances and types of injuries found on the bodies led West German and American military police to suspect the couple were murdered. West German police said the couple, thought to have been dead for more than

a week, were Americans who had lived in the Pattonville housing area.

The Army spokesman said the couple could not be identified until a post mortem had been completed.

"To say how long they had been dead at the moment would just be conjecture," he said. "It has been very hot recently and the bodies would decompose quickly" — UPI

JOHANNESBURG, WEDNESDAY, AUGUST 3, 1983

ALL FASHION
Suits
R62,50
ROSEBANK MALL

D. Digestor 4/8/83

Butterworth bus plant ~~103~~ closes down ~~102~~ ~~103~~

EAST LONDON — One of the longest established industrial firms in Butterworth — Dorbyl Automotive Products — is to close because of the general downturn in the South African economy and lack of business from the Transkei Government

The Dorbyl plant, which was set up in 1973, turned out up to 120 buses a year with a cash turn-over of just over R2,5 million

The 180-odd technicians and other employees at the plant have been relocated in other jobs within the company and outside organisations

The managing director of the firm, Mr Ian Cumming, said that his organisation was "extremely sorry" to close the But-

terworth factory "but we have been running it at a loss and carrying things for the past couple of years"

Mr Cumming said the two main reasons were the general downturn in the South African economy and lack of business from the Transkei Government

Dorbyl established a structural steel plant in Butterworth in 1973 and switched to automotive production about four years ago

The organisation has its main plant in Port Elizabeth and turns out an average of 900 buses a year

The Butterworth factory is in the process of closing, and is expected to "shut up shop" by the end of the month —
DDR

CAR TIMES 5/8/83 (192)

Toyota increases profits

By HAROLD FRIDJHON

JOHANNESBURG — In a tight and highly competitive motor vehicle market, Toyota has increased its half-year profits by 28 percent, rising from R9 528 000 last year to R12 200 000, and has lifted the interim dividend from 55c to 65c a share.

The chairman, Dr Albert Wessells, said that the company would also have a very good second half and that shareholders could look forward to an increase in the total dividends for the year. The final could be increased by 10c to keep abreast of inflation.

The consolidated group income improved by 16,4 percent, from R23 010 000 to R26 780 000. Tax provision for life was reduced

from R7 500 000 to R5m but the tax provision after providing for life increased from just under R6m to R9 580 000.

The directors say that a lower provision was made for life because experience over the past two years has shown how difficult it is to estimate mid-year the final figure for the full year.

Tax for the six months increased by 60,1 percent largely because the group has already used up all accumulated tax losses.

Interest bearing debt has been nearly halved. It has come down from R42 200 000 to R21 500 000.

On a unit basis the group profit before tax has been increased from R518 to R621.

It is significant to note that the increased profit has come from reduced

sales. In the six-month period ended June, total retail sales of vehicles dropped from 44 449 (excluding Renault, the franchise of which was given up at the end of last year) to 43 101 this year. This is a decline of three percent in a market which fell by 14,3 percent.

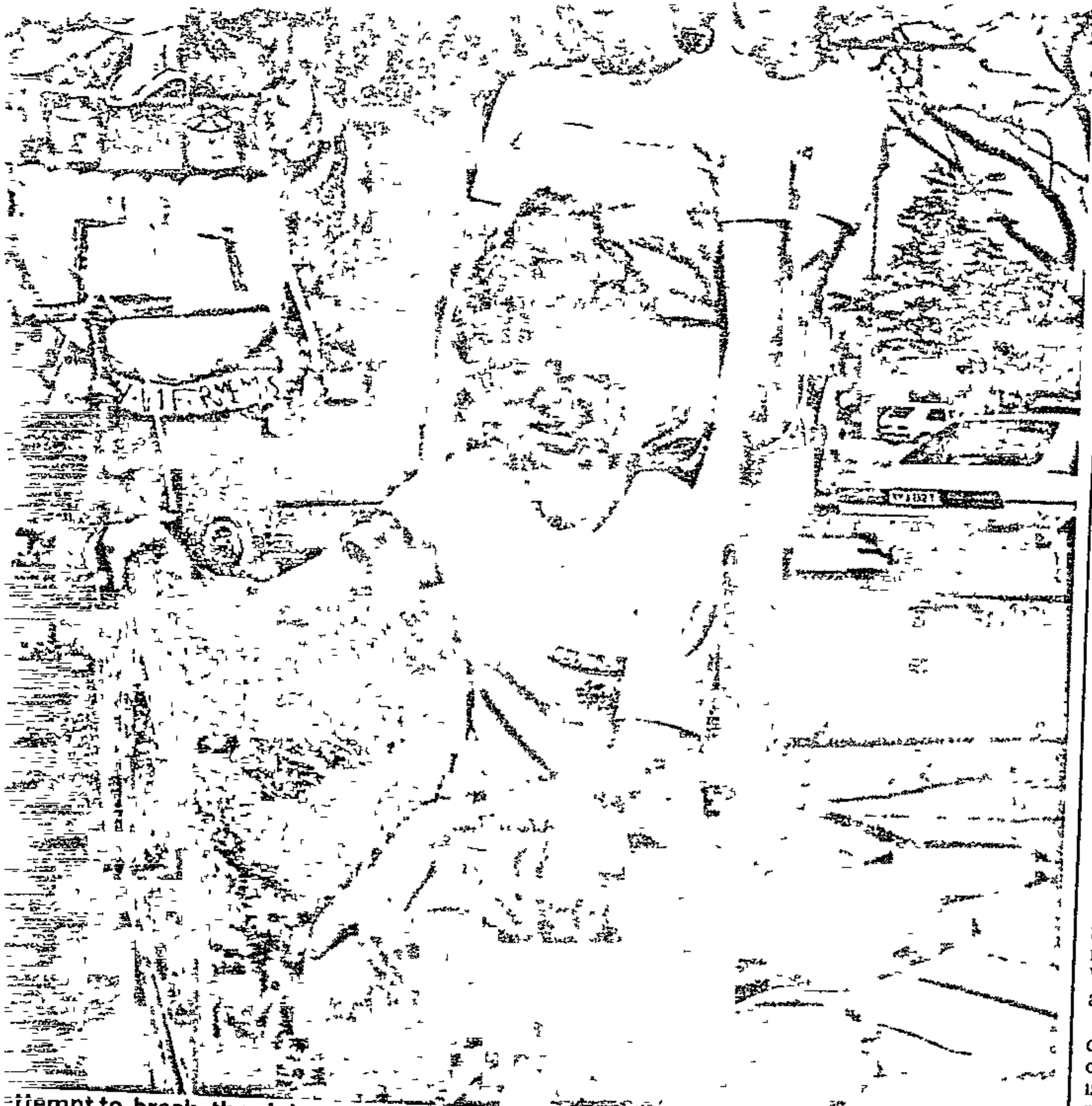
The result is that the group pushed its market share from 19,8 percent to 22,4 percent.

The managing director, Mr Colin Adcock, takes an optimistic view of the car market for the rest of the year. He forecasts that 270 000 units will be sold but he is not so sanguine about the truck market.

The car market will be stimulated by most manufacturers launching new models which will accelerate market activity. And there was no doubt that consumer finance would be available.

Asked how the profit rose in the face of a decline in sales, Mr Adcock said that there were two main factors.

The first was the stronger rand/dollar exchange rate and the benefits which accrued from favourable forward currency transactions.



Attempt to break the Johannesburg to Durban cycling record are physical education Lorraine Swart, Beverley Schafer, Erika Beynon, Melonie Du Preez, Debbie Abbey and the record which stands at 33 hours.

Picture: FAUL BOSMAN

Union
In row over 'rights'
NGWU 6/8/83

By STEVEN FRIEDMAN
 Labour Correspondent

THE unregistered National General Workers' Union says it is considering legal action against a Pretoria motor components firm which refuses to recognise the union, because it is not registered.

The NGWU's general secretary, Mr Donsie Kumalo, also says the company, Poole Industries, has threatened to call in police if union organisers are seen in or near its Pretoria plant, but a company spokesman denied this yesterday.

Mr Kumalo says the NGWU approached Poole after recruiting about 120 of its 300 workers. He was told on Thursday when he met the company's management that the company would not deal with the union.

"The reasons they gave were that we were not registered and that we are not members of the motor industry's industrial council. We regard these as unacceptable reasons," he said.

He also alleged that the company had threatened to call the police if union organisers were seen anywhere near the plant.

"We will now report back to workers on management's attitude and will also consult our legal advisers," Mr Kumalo said.

A company spokesman confirmed yesterday that Poole would not deal with the union because it was not registered and did not belong to the council.

"We asked them why they would not register and they said it was against their principles. That is not a valid reason," he said.

He said the company was covered by the motor industrial council and would therefore only deal with unions on the council.

"We prefer to deal with only one union at our plant," he said.

He said the company had told the union its organisers were not allowed on company premises but that "what they do outside our gates is their affair".

Mr Kumalo had threatened to brief attorneys on the issue "and we told them that if they did we would insist on consulting the Motor Industries Federation's lawyers", he said.

He said the company had always had good labour relations. "We have been hit by the state of the economy and have gone on to short time rather than retrench workers. This has involved keeping on elderly workers who are unable to continue working," he said.

Because of the 'difficult time' the company faced, it was reluctant to have its relations with workers disturbed by the union, he said.

pledges housing aid at meeting



delegates to yesterday's didn't believe they would do it.



MR F F STOCKENSTROM
 Of Handelsinstituut.



MR JOHAN KRUGER
 Co-ordinates house sale

will be...ions mem...y that a...g As...FCL...Hous...meet housing the big

newsletter would be used to keep the private sector fully informed on housing policies and developments.

"It is not merely with regard to the sale of these State-financed dwellings that the private sector's role is vital, but also in the development of new housing," Mr Kotze said.

for a joint and coordinated effort by all sectors of the community"

- The bilingual newsletter deals with.
- The role of the public and private sectors in housing
- The Big House Sale
- Procedures and cost of 99-year-leasehold
- Types of home loans which

with home improvement Employers who want to add their voice on housing problems, are invited to do so through Assocom or other associations, or through the the PR Director, Communications Consortium P O Box 2983, Johannesburg 2000 Does it leave Mrs Preller's maid...

there is a two-hour delay in morning news national phone calls

EMPLOYEE BENEFITS

New idea from Ford

Worthwhile insights into the advantages of trade union involvement in the provision of employee benefits have been given by Fred

Financial Mail August 12 1983

FOM (2/1/83)

Ferreira, director of industrial relations of the Ford Motor Company of SA

In a recent speech to the Institute of Pension Consultants and Administrators, Ferreira dealt at length with the problems that many companies — including Ford — have faced due to black employees' opposition to government's pensions preservation legislation

While Ford's experience with the pension issue could generally be described as "tragic," he said, the opposite applied to union involvement in the provision of medical aid benefits

Ferreira said that during 1980 the company was approached by unions representing mainly coloured and white employees. They proposed that hourly-paid employees be allowed to resign from the Ford medical aid plan and join another which called for significantly lower contribution rates

"The end result of these negotiations was the disbandment of our own plan, which provided identical benefits to all employees regardless of position or race within the company, and the linking up with two separate plans — a white plan and a non-white plan, administered by the same organisation

"While the vast majority of black and coloured employees are now members of the non-white plan, they are provided with the option to join the white plan and thereby qualify for superior benefits at higher contribution rates

"I believe that in our anxiety to establish non-discriminatory medical aid programmes, we have in fact created material discrimination," he went on

"The employee reaction was, therefore, possibly motivated by the view that non-white members were subsidising white membership. Despite the lack of medical services in the non-white residential areas, compared with white services, this claim is often disputed — although it still has to be disproved"

Ferreira said this new arrangement has had a number of interesting consequences. "Firstly, as a result of union involvement, there was a decrease in both employee and company contributions. At the same time, the demand for refunds where no claims were made was dropped

"Secondly, the concept of different benefit structures for different employee levels was found acceptable. It is doubtful whether this action would have been possible if it had been implemented at management insistence

"Thirdly, for the first time, union officials, rather than company employees, gained access to the management committees which run the two plans. Therefore, these officials now share in the responsibility for the development of benefit levels, contribution rates and general administrative matters. This arrangement reduces the heat on management to provide better benefits and to maintain contribution rates at current levels in the face of escalating

costs. This is especially true in view of the fact that we no longer run an in-house plan"

Ferreira said that while Ford does not negotiate, in the true sense of the word, on a number of employee benefits, the company is prepared to discuss any aspect of its various plans with trade union officials.

"Their comments and suggestions for improvement have proved to be of value in the past and in certain circumstances have led to change," he said

Anglo to give Sigma a huge capital boost

192 ~~210~~ Star 13/8/83

By Trevor Walker

Anglo American Corporation is set to announce a further significant capital expansion at Sigma Motor Corporation next week, after an intensive re-structuring programme at the Pretoria plant in the past six months, according to industry sources

It will be a clear indication that Anglo is convinced that new MD Mr Spence Sterling is turning the company around and that previous management decisions which led to confused structural development have been eliminated

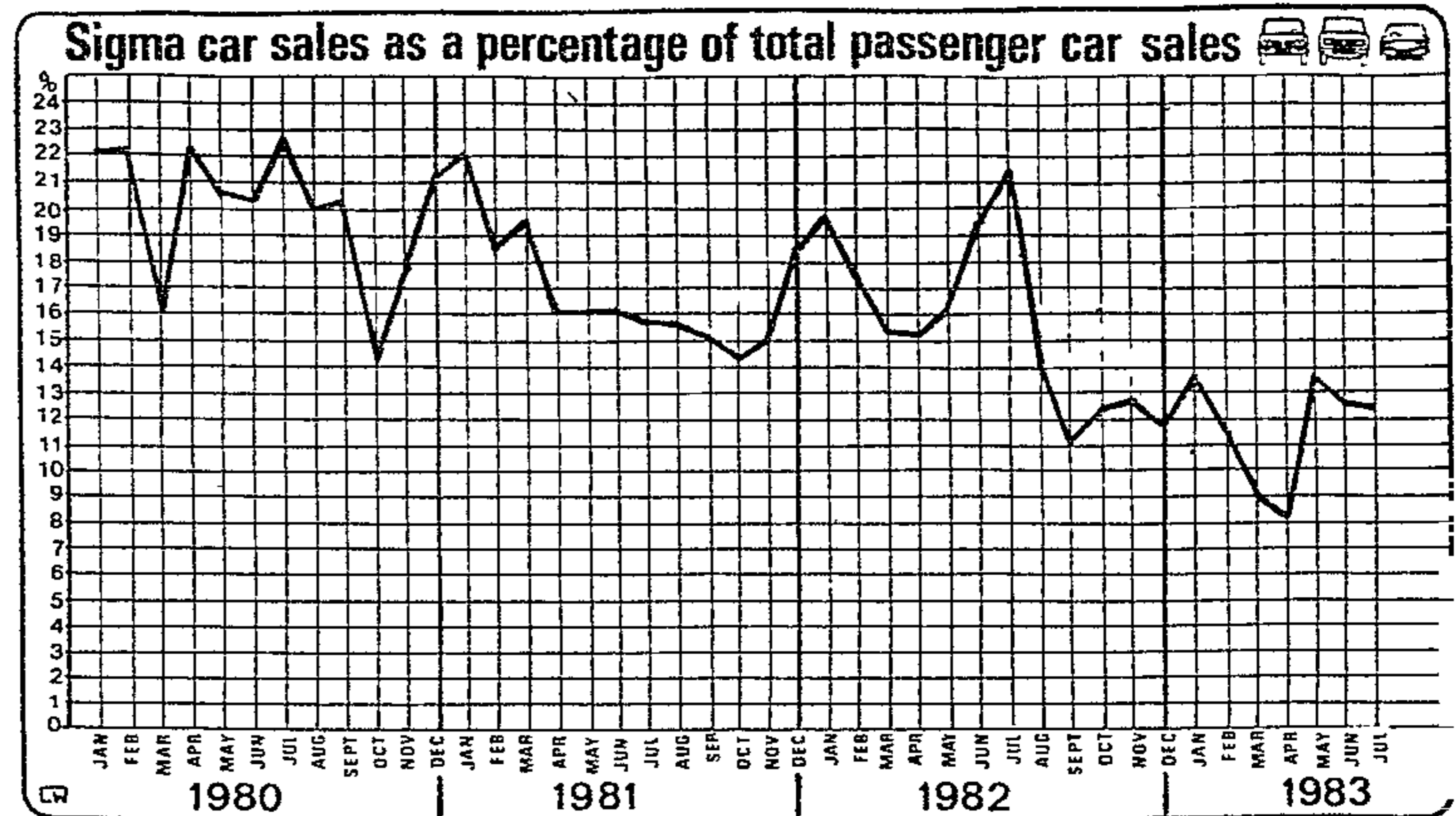
It will cap an outstanding six months performance by Mr Sterling who took over at the beginning of the year. There is little doubt Sigma is ready to climb out of the trough

Mr Sterling declined to comment on this when approached by The Star. But he said a number of deliberate once-off cost factors had been incurred this year. He was hopeful the company would move into a profit situation in the first quarter of next year.

The company made a R55 million loss last year. An equally massive R55 million expansion programme undertaken by the previous management had now finally been brought to a conclusion. Total capital outlay at the factory was now about R275 million.

Major re-tooling had been undertaken to ensure that production and product development could be maintained. Slowing down production on the Peugeot lines to ensure quality had paid off handsomely.

Mr Sterling said Sigma had a



massive new product programme for the next 12 months. He was convinced Sigma could increase its share of the passenger car market to 18 percent.

The total market was likely to increase to around 275 000 units this year and 300 000 next year. This, coupled with higher productivity, should lead to the improvement in market share and profits.

A number of senior management appointments were made this year. Only the post of director of manufacturing remained to be filled. Mr Geoff Graves, previously in charge of manufacturing at other motor plants in this country, had since his retirement been assisting with production.

A new finance director, Mr Joe Daly, has been appointed. He had previously held similar positions at Ford and Chrysler

Mr Richard Murray, the new sales and marketing director, was also a professional motor industry man.

The Colt Galant was likely to be phased out in the next six months, but new versions of the Tredia and the Mazda 626 would be introduced.

The Mazda 323 was quite capable of holding a nine to 10 percent share of the market, and the reason for the dip in sales in July had been pinpointed and would be rectified.

Production had started on new Peugeot assembly lines, and last month 200 of the 504 model had been sold, without any advertising. Mr Sterling said there was a waiting list for the Peugeot Wagon.

The Mazda 626 would make a significant contribution to the product range. Dealers would be better able to compete with

Toyota and Datsun products, particularly the Cressida and Skyline.

Product life-cycles had now been defined.

The light commercial range, which had been a problem, had been restored. Sales had been increasing every month this year, and should continue to reflect the improved product in the remainder of the year.

Final documents for the sale of Sigma's interest in Ronnie Bass would be signed next week. After Ronnie Bass' move out of Johannesburg, City Central would handle the Sigma franchise.

Mr Sterling said Sigma was aiming to be a highly competitive, profit-oriented company. This meant the emphasis would be on revenue in relation to costs.

THE EXECUTIVES

GM chief enjoyed his ride to top

of the Argus has 13/8/12

192

By KEVIN VERNON

Weekend Argus Bureau, Port Elizabeth

THE head of General Motors' multi-million rand South African operation is a man who has enjoyed every minute of his climb up the corporate ladder.

Mr Lou Wilking, 53, is proud of his humble origins as the son of a machinist turned grocer in tiny Lochland (population 5 000), Ohio

The steep climb has taken 31 years, and, he says "I have achieved more than I ever believed possible when I first set out

"A person's aims are limited by the scope of his immediate horizon, and only as his horizons are broadened does greater achievement become possible"

Since he has been general manager here, he has expanded GM's programmes concerned with the welfare of GM's employees, especially blacks

Good business

"Ever since 1962 GM has been supplying the children of black employees with free school books, and

often helping with school expenses

"GM has also adopted 21 schools, with some 13 000 school children, to whom we give financial support"

While concern with worker welfare is by no means limited to GM operations in South Africa, "the political system in operation here virtually forces a firm such as GM to expand into a greater social responsibility

"And I believe it is also good business, because when these people are on their feet financially they will buy the products of those companies which helped them to get on their feet"

Potential

He gets annoyed at those people who say that GM might one day pack up and leave the country

"South Africa has been good business for GM for the 57 years we have been here, and with the massive investment in plant and personnel constantly expanding, there is no way I can see GM ever leaving"

While he sees the



MR Lou Wilking . . . achieved more than he ever believed possible.

vehicle market in South Africa as perhaps over-competitive, he believes the country has "dramatic potential"

"The car density of white South Africans is the same as in the US If blacks can be brought into the market as well then the market will increase three or four fold

Intrinsic wealth

"Add to this the stability and good financial climate and the tremendous intrinsic wealth of South Africa, and the sky is the limit"

As for his personal future, Mr Wilking says he would be "more than happy" to spend a few more years here

"There are still some important things

I would like to achieve, and also some things I would like to see through to their successful conclusion

"But I still have 12 years to go before I reach the nominal retirement age, and so far I have seen some strange places and I have had a lot of fun Who knows what the future has in store?"

Korean war

After graduating with a BSc in Business Administration from Cincinnati's Xavier University in 1952, the young Lou Wilking hoped at best to become a safe and secure public accountant

But the Korean war intervened and as he had taken military

To Page 3

From Page 1. *W/E 1/2/83 Bus 13/1/83*

General Motors chief

tactics at university and was on the officer reserve list, he headed off to war as an artillery officer

In 1954 he returned as a lieutenant of artillery, with prospects of soon becoming a captain, and faced a turning point

"The army was not such a bad life, but I was planning to marry and the money I could earn at the Chevrolet division of GM lured me there

"I have been at GM ever since and have never regretted it"

Trouble shooter

After a while with Chevrolet he became travelling auditor and showed such aptitude that he soon came to be a financial trouble-shooter investigating varied aspects of the gargantuan GM budgets which were not functioning efficiently

"One particularly interesting job was to negotiate a complex new agreement for

the movement of parts to and fro across the Canadian border My recommendations eventually became the basis for all US-Canadian trade

"Another time when investigating taxes paid by GM in various states — in the US different states have different tax structures — I discovered that if the GM office in Philadelphia was moved just across the river to Hampden, New Jersey, the company would save R4-million in state taxes"

Unbiased

The ability to see a problem and find a solution meant that he quickly became in great demand, and he has been on assignments in GM plants in Australia, South East Asia and Iran, as well as South Africa

Such wide-ranging experience meant inevitably that he be-

came involved in "more than just adding numbers," but also entered into the basic concepts of the business operations he was assigned to

"As my boss once said when sending me off to some place 'you might just be dumb enough to ask the right questions,' meaning that I could approach problems with an unbiased viewpoint"

His first experience of South Africa was in 1971 when he was sent here to find out why the GM operations were losing money

In 1973 he was appointed to South Africa as treasurer and by mid-1974 the operation was back in the black

In mid-1974 he was transferred to Iran to start up GM operations there, and he stayed until 1977 when he was made general manager of GM South Africa

porters: 201

16/8/83

ROM

Motor unions, employers meet on wages

Labour Correspondent

A KEY meeting today between motor assembly unions and employers in the Eastern Cape may decide whether the industry will face another major wage dispute this year.

At the meeting of the Eastern Cape motor industry's industrial council, Fosatu's National Automobile and Allied Workers Union will tell employers its members at Ford, Volkswagen and General Motors have rejected a

wage offer which, NAAWU says, would raise minimum pay by an initial 8c an hour.

Wage negotiations in the Eastern Cape motor industry have been turbulent - with two major strikes staged.

Last year, NAAWU withdrew from the industrial council as a result of one such dispute and only rejoined it earlier this year.

NAAWU's general secretary, Mr Fred Sauls, said yesterday employers had begun negotiations by opposing any

increase at all.

Workers rejected this, he said, and employers had then offered a 5c an hour increase for workers at the bottom of the scale, to be followed by a further 15c increase in September.

Workers at the top of the scale were offered an 11c an hour increment.

This offer was also rejected and employers then offered an initial 8c an hour to be followed by further increase of 15c an hour for the

lowest-paid, Mr Sauls said.

He added, however, that mass meetings of workers at the three motor companies had rejected this offer too.

He said the minimum wage laid down in the industry's wage agreement was R2.15 an hour, but that the "real" minimum was R2.30 an hour. The employer offer was, therefore, "negligible" when looked at as a percentage. Employer comment could not be obtained yesterday.

Wage talks

(192) 1/6/83
Post Reporter

NEGOTIATIONS over a new wage agreement for the Eastern Cape's motor industry continued in Port Elizabeth today

The latest round of talks was concluded shortly before midday when chairman of the Industrial Council concerned, Mr Henry Ferreira, left for East London without commenting on the state of the negotiations

16/8/83 D. DISPATCH

Factory workers back on job after dispute

EAST LONDON — A number of employees at a local factory had returned to work following a mass resignation after a wage dispute a spokesman at the factory, Transerve, said yesterday

The manager, Mr J Beukes, said a report last week which quoted workers as saying 150 had resigned, contained certain discrepancies

Mr Beukes said the full staff complement at the end of the week preceding the resignations was 55, and not 150 as reported

"No increases of any description have been promised or suggested," he said

"On Friday (August 5) employees demanded a

40 per cent increase backdated to June When this was refused, the employees resigned en bloc

"The company felt that the majority of workers were not in agreement with the mass resignation Consequently, all workers were asked to reapply for their jobs on Tuesday if they so wished As a result of this, by Thursday production had been resumed with 38 of the original 55 workers back at

their jobs," Mr Beukes said

"It should also be noted that all employees fall under the National Industrial Council for the Motor Industry, and as such have specified wage levels These wages are periodically reviewed by the Industrial Council All workers are therefore paid at, or in excess of, the laid down wages for the motor industry," he said

— DDR

hope that the new content is not going to be too competitive than it already is. The men for the two jobs involved — Mr. Ferreira, general secretary of SAIWA (and chairman of the Industrial Council concerned) and Mr. Freddie Sauls, general secretary of Naawu — are not available for comment at the time of going to

GM to go on importing vehicles — Wilking

GENERAL MOTORS will continue to import fully assembled vehicles that cannot be economically produced in South Africa as long as a market exists, the managing director, Mr Lou Wilking, said in a statement in Port Elizabeth today.

Yesterday the company received a shipment of 165 Isuzu panel vans and mini-buses from Japan.

He said the latest imports were vehicles of speciality interest which at this time could not be economically produced in South Africa.

Depending on market response, further units of this

type, and the recently introduced Suzuki vehicles would be introduced on a similar basis during the year.

The importation was a market-testing exercise and, if sales volumes were high enough consideration would be given to setting up a costly local manufacturing programme. He said the importation did not effect the local content programme because commercial vehicles of this type were not included in the programme.

The major manufacturers have for some time been importing completely built vehicles. This position was likely to be repeated this year and would include 4 000 Daihatsu Charades, he said.

Two brothers found guilty

Post Reporter
Two brothers were convicted on a robbery charge at a Port Elizabeth Regional Court yesterday in the hijack of a post delivery van carrying R13 000 pension money from a Uitenhage post office earlier this week. Hendrik Johannes Stoltz, 29, pleaded guilty to being a post office van driver, Mr William George Lalner von Osterm on Tuesday. According to the statements of Hendrik Stoltz, of Aaron Street, Uitenhage, and Samuel Stoltz, of Hampton-Manor, Uitenhage, they admitted they planned to rob the van on August 16. The brothers waited for the vehicle to arrive outside the post office that evening. Samuel Stoltz

overpowered a passenger while Hendrik Stoltz hit the driver over the head with a pistol.

They drove out of town and when the older brother saw a police officer following them he fired a shot at an embankment to scare him off.

They drove back towards Uitenhage, and within seven kilometres of the town they examined their haul. When approached by another traffic officer they ran away.

The next morning they were arrested at the younger brother's home.

They expressed remorse and said they had wanted the money for their own use.

The magistrate, Mr J B Robinson postponed the hearing to September 20 for sentence. Bail of R250 each was granted.

Mr A Kilian appeared for the State.

PE author has latest novel published

Post Reporter

THE Port Elizabeth poet and novelist, Sheila Fugard has had her latest novel *A Revolutionary Woman*, published in Johannesburg.

The book which will be launched on September 4, will coincide with South Africa's Book Week.

The novel is a love story set in the Karoo during the early 1920s and deals with the aftermath of the South African War and Mahatma Gandhi's years in South Africa.

The novel took Mrs Fugard three years to complete. It will be published in England next year.

Her first novel, *The Castaways* won her the coveted CNA Literary Award in 1972 and the Olive Schreiner Award in 1973.

Her second novel, *Rite of Passage*, as well as her two anthologies of poetry were widely acclaimed.

Supreme Court trial for 3 AWB members

PRETORIA — Three African Weerstandsbeweging (AWB) members and a former member charged with terrorism have been referred in a Pretoria Regional Court to the Supreme Court for trial.

The AWB leader, Mr Eugene Ney Terre'Blanche, 38, of Roth Street, Ventersdorp, Mr Jacob Daniel Viljoen, 40, of Kritzinger Avenue, Klerksdorp, Mr Jan Jurgens Groenewald, 37, of Naude Street, Wonderboom South, Pretoria, and Mr Dawid Friderik Botes, 44, of Fifth Avenue, Geduld, Springs, previously pleaded not guilty to a charge of terrorism and six alternative charges of illegal possession of arms, ammunition and explosives.

In accordance with a decision by the Attorney-General, the men will stand trial in the Supreme Court on October 11. The trial is expected to last 14 days.

At a previous preliminary hearing it was alleged the men were in possession of four AK 47 rifles, 18 R1 magazines, a Makarov pistol, grenades, camouflage clothing and other items.

Bail of R1 000 each was extended for Mr Terre'Blanche, Mr Groenewald and Mr Botes. Mr Viljoen, who is currently serving a 15-year prison sentence, remains in custody — Sapa.

Weather

FORECAST for the coastal belt from Plettenberg Bay to Port Alfred for the period ending 6pm tomorrow.

CONDITIONS Fine and mild to warm with berg winds tomorrow.

WIND Moderate to fresh north-easterly becoming north-westerly tomorrow.

EXPECTED TEMPERATURES
Minimum 10C
Maximum 28C

TODAY'S CONDITIONS (1pm)
Sea Temperature 16C
Temperature 18C
Pressure 1 023 3mbar
Humidity 66%
Wind North-east 22km/h

THE MOON
Full Moon August 23
Last Quarter August 31
New Moon September 7
First Quarter September 14

THE SUN
Sets today 5 49pm
Rises tomorrow 6 51am

THE TIDES
High Water
Today 1 44pm
Tomorrow 12 41am 1 44pm
Low Water
Today 7 33am 7 42pm
Tomorrow 8 12am 8 21pm

THE WORLD

	Min	Max	Weather
	C	C	
London	16	27	clear
New York	20	28	cloudy
Paris	17	25	clear
Rome	20	27	rain
Sydney	8	16	cloudy
Tokyo	25	31	rain
Amsterdam	13	20	rain
Athens	22	33	clear
Berlin	12	25	clear
Brussels	16	26	clear
Buenos Aires	5	12	clear
Chicago	20	35	clear
Copenhagen	10	17	clear
Dublin	18	21	cloudy
Frankfurt	13	28	cloudy
Geneva	16	25	clear
Helsinki	u/a	ua	u/a
Hong Kong	27	32	clear
Jerusalem	16	26	clear
Lisbon	17	26	cloudy
Los Angeles	27	35	cloudy
Madrid	12	29	cloudy
Miami	28	32	cloudy
Montreal	17	26	cloudy
Moscow	17	25	clear
New Delhi	26	34	cloudy
Rio de Janeiro	u/a	ua	u/a
San Francisco	15	21	cloudy
Stockholm	13	23	clear
Tel Aviv	21	29	clear
Toronto	20	26	cloudy

Girls aged 12 swim channel

OVER — Samantha Druce, 12, today became the youngest girl ever to swim the English Channel.

She snatched the title from another British girl, Alison Wetherly, who had held it for only about four hours. Samantha is 43 days younger than Alison.

Today Dutch student Irene van der Laan, 22, swam from England to France and back again without a break in an all-comers record time of 18 hours 15 minutes.

Another swimmer who completed a successful crossing today was a physically handicapped Egyptian, Khaled Shalaby, 25, who made the crossing to France although he has only one hand. The straight-line distance is 33 kilometres — Sapa-AP.

Ads on trains coming soon

Political Correspondent

CAPE TOWN — South African train commuters can prepare themselves for a strange new spectacle — suburban trains with sides ablaze with advertisements.

The Minister of Transport Affairs, Mr Hendrik Schoeman, today told Parliament the intension initially was to advertise on the exterior of suburban passenger coaches in the Pretoria-Witwatersrand-Vereeniging, Durban and Cape Town areas.

Replying to a question from Mr Peter Soal, Progressive Federal Party MP for Johannesburg North, Mr Schoeman said "Demand and practical implications will determine if this is later extended to mainline trains."

192 (323) 1970
19/8/63
2019

Wits new truck design facilities

ROAD transport was the second largest employer of labour in South Africa and there was a dire need for research and development in the industry, the head of the University of the Witwatersrand's School of Mechanical Engineering, Professor Roy Marcus, said yesterday

Prof Marcus was speaking at the opening of the Desmond Bolton Road Transport Research Facility at Frankenwald, in Sandton

He said until now there had been no adequate facilities in the country for students who wished to specialise in truck design

The new research facility would provide graduates with the opportunity to carry out post-graduate work in road transport

The new centre was made possible by a donation of R250 000 from Mr Bolton, managing director of a large trucking company — Sapa

Extension of local content to heavy vehicles possible

1992
E. Post
August 1983

By LOUIS BECKERLING
Business Editor

A TOP-LEVEL probe into the economic and strategic implications of extending enforced local content measures to manufacturers of heavy commercial vehicles and buses is nearing completion

Currently SA manufacturers of passenger and light commercial vehicles are obliged to incorporate 66% by mass of locally-manufactured components in their vehicles. Now a Government report is being compiled with a view to extending local content measures to the heavy-duty market

Naacam — the National Association of Automotive Component and Allied Manufacturers, the body representing the SA component industry — “hopes to finalise its report on the matter by Friday”, director Mr Bill Hayward told the Evening Post today

And Mr Hayward expressed the conviction that such a local content programme was feasible

“If my information is correct manufacturers have already introduced a high level of local content in their products on a voluntary basis — perhaps as much as 60%

“We believe this could be increased to 91% over a period of five years without causing any economic disruption in the industry”

Mr Hayward emphasised that his figures took into account not only the cab and chassis configurations which left the manufacturers' plants, but the entire commercial vehicle once the “platform” — be it a bus, tipper- or flat-bed — had been added to the chassis to customer's specifications

Naamsa — the National Association of Automobile Manufacturers of SA, the body representing manufacturers — submitted its report on the matter in February

Naacam's full report due to be completed this week follows a “first response” already triggered by an instruction on 31 December, 1982, to the Board of Trade and Industries (BoT) by the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, to conduct the probe

In its terms of reference, published in the Government Gazette No 8495 of that date, the BoT was directed to report upon and make such recommendations as it may consider necessary, in respect of

- “The effect of the existing protective measures on various components for goods motor vehicles of a mass exceeding 1 300kg and motor buses

- “The level of local content that should be attained in order to establish a sound commercial vehicle manufacturing industry, having regard to the effect of any protection granted in this regard on users of the vehicles concerned and on the SA economy in general

- “Measures to ensure this sound development having regard to the strategic importance of the existing diesel engine, gearbox, and driving axle industries and the Government's undertakings already given in this connection to certain manufacturers”

In a first response to the BoT investigation, Naacam outlined “the current and potential contribution component manufacturers can make to the SA economy via a local content pro-

gramme and pointed out certain inconsistencies and distortions in the existing programme,” said Mr Hayward today

“We also raised the issues which we believed should be considered when evaluating both the worth and extension of such a programme”

“We have now completed a very extensive investigation. We would have liked more time but unfortunately could not get this as the BoT itself is under pressure to complete the final report and thus could not grant us the nine months we asked for”

Mr Hayward said the report for submission to the BoT was prepared in tandem with a wider review of the country's local content programme on the entire motor industry — including passenger cars and light commercial vehicles. This review is being conducted in association with Naamsa, and this report is expected “shortly”

“This broader investigation was authorised by the annual meeting of Naacam members in August and is designed to gauge the state of the local content programme now that we are about mid-way through Phase 5 of the programme (which calls upon manufacturers to incorporate 66% by mass of local content in finished passenger vehicles and light-commercial vehicles)

Once completed the Naacam and Naamsa reviews will be swapped with a view to arriving at a consensus on the controversial issue of what level of local content to enforce on local manufacturers

The principle underlying the sensitive issue of the local content programme is

what level of employment and capital investment in a strategic industry may be enforced — and yet remain compatible with the “freedom” implicit in an open economy and the fact that imports of fully-knocked down vehicles or components would be considerably cheaper though would create large-scale unemployment in the industry

2018/83 (2018/83) (192) (1401/136) RDM

Motor workers accept wage offer

By STEVEN FRIEDMAN
Labour Correspondent

WORKERS in the turbulent Eastern Cape motor assembly industry have voted to accept an employer wage offer which, their union says, will raise minimum pay by 18,5% over the next year.

This means that there is unlikely to be any repetition of the wage unrest which has plagued the industry in recent years — at least until the next wage negotiations in August next year.

Earlier this week, employers offered workers three wage increases — to come into effect this month, in February and next August —

which Fosatu's National Automobile and Allied Workers' Union agreed to take back to members.

The union said it would recommend to workers that they accept the offer.

Yesterday, a NAAWU spokesman, Mr Les Kettle-das, said mass meetings of workers at Ford, General Motors and Volkswagen had voted to accept the offer. He added that the union would notify employers of this in writing.

NAAWU believes the employer offer meets its demand that this year's increase should compensate workers for the rise in the

cost of living. It says it will seek new increases aimed at raising workers' real wages when the economy improves.

The present minimum in the industry is R2,15 an hour, although unionists say that almost all workers are paid a minimum of R2,30.

Mr Kettle-das said yesterday that the wage increase workers accepted would be backdated to August 1 and that workers would therefore receive three weeks' back pay as well as the increase.

He added that the worker decision meant that the next wage negotiations in the industry would take place in August next year.

● A report in yesterday's Rand Daily Mail on a recognition agreement between the Metal and Allied Workers Union and Mather and Platt quoted a union spokesman as saying the agreement made provision for union mass meetings.

However, a company spokesman said yesterday that there was no such provision in the agreement.

He added that the company believed a noteworthy feature of the agreement was that MAWU had agreed to use the Metal Industrial Council's dispute procedures should there be a deadlock in negotiations at Mather and Platt.

Important victory for union

By PHIL MTIMKULU

THE UNITED African Motor and Allied General Workers' Union has won an important out of court settlement with the Datsun-Nissan company for unfairly dismissing workers at its Rosslyn plant early in January.

The union, which is affiliated to the Council of Unions of South Africa (Cusa), met the company's management on August 14, and reached an agreement that the company give back-pay to 76 workers who were dismissed on January 7.

The company agreed to pay 47 per cent of the workers' back-pay. This amounts to a total of more than R100 000.

The company also agreed to reinstate the workers without a change in their conditions of employment.

The union had intended taking legal action against Datsun-Nissan for retrenching the workers without any valid reason.

The company said the workers were retrenched purely on economic grounds.

Sowetan 23/8/83

192

76 labourers are reinstated

By Carolyn Dempster,
Labour Reporter

Council of Unions of
South Africa

An out-of-court settlement between Datsun Nissan and the United African Motor and Allied Workers' Union (UAMAWU) has resulted in the reinstatement of 76 of the 102 workers dismissed from the company's Rosslyn plant in January this year.

After a meeting with union officials on August 14, the Datsun Nissan management agreed on back pay of 47 percent of the workers' salaries over the seven-month period, and to re-employ 76 of the retrenched union members without changing their conditions of employment.

A union statement released yesterday said the back pay would amount to more than R100 000 and constituted a major triumph for UAMAWU, which is affiliated to the

However an industrial relations spokesman for Datsun Nissan said yesterday that this was an "optimistic" estimate. The exact figure could not be calculated until the company had decided whether to employ more workers. In addition, the reinstated workers would forfeit their leave and pension benefits.

Although the spokesman emphasised that the settlement was reached in a spirit of goodwill between the two parties, the union has initiated legal action against Datsun Nissan for retrenching the workers without a valid reason.

It is the second time in six weeks that the 5 000-member union has scored a significant victory.

On July 12, several company practices at Fodens were ruled unfair.

Retrenched workers get compensation

By STEVEN FRIEDMAN
Labour Correspondent

THE Datsun-Nissan motor company has agreed to pay compensation to retrenched workers in an out-of-court settlement with the United African Motor and Allied Workers Union — and the settlement is likely to be the biggest yet paid out to retrenched black workers.

The settlement flows from the retrenchment in January of 102 workers, which the union planned to challenge in the industrial court.

Datsun has agreed to re-employ the workers and to pay each one 47% of the earnings he or she has lost as a result of being retrenched.

In a statement yesterday, the union said this would lead to a total pay-out of more than R100 000, but a company spokesman said it was not possible to calculate the exact amount yet, which could be smaller.

Datsun says it settled because it plans to recognise the union soon and did not want "to start our formal relationship under a cloud".

Thus far 76 workers have been re-employed and are therefore entitled to compensation for lost earnings.

In its statement, the union's general secre-

tary, Mrs Dora Nowatho, hailed the settlement as an "important breakthrough".

The union said it had planned to take Datsun-Nissan to the court "for retrenching workers without a valid reason". But the two sides had reached an agreement on August 14 which removed the need for court action.

Besides the money to be paid to the workers, the company also agreed "to reinstate the workers without a change in their conditions of employment", the statement said.

It said this was the second "major victory" for the union in the past six weeks, the first being its success in an industrial court action against the motor company Foden's.

A company spokesman said Datsun agreed to pay workers who were reinstated 47% of the difference between the wage they would have earned at Datsun and what they had earned since being retrenched.

This meant, he said, that a worker who had worked for the entire eight months for 50c an hour less than at Datsun, would receive 23,5c an hour for that period.

He stressed the company had not settled "because we are conceding we were wrong, that would obviously have been for the court to decide".

The settlement had been a "goodwill gesture" aimed at building a sound relationship with the union.

Workers ¹⁹² down tools *Sowetan 25/8/83* over pay ~~192~~

BY PHIL MTIMKULU

ABOUT 450 employees of Firestone tyre company in Brits downed their tools on Tuesday after a deadlock following two weeks of negotiations between the company and the National Automobile and Allied Workers' Union (Naawu).

The latest stoppage follows a previous stoppage two weeks ago when the workers rejected an increase imposed by management. But they returned to work when their union started negotiations with

management

The workers have finally rejected management's offer of a productivity based increase. They are demanding an immediate increase to be followed by a further increase to be given if the workers achieve an agreed-upon productivity target.

The union has contacted the national office of Firestone with the view to further negotiations on the current dispute. All Fosatu affiliated unions have been kept informed of the progress of the negotiations.

26/8/83
E. S. S.

Union in talks

THE Cusa-affiliate, the United African Motor and Allied Workers' Union is currently negotiating recognition agreements with five major motor companies in an attempt to normalise labour relations on the plants

The union's general secretary, Mrs Dora Nowatho, told **The SOWETAN** yesterday that talks were at an advanced stage and the first recognition agreement was likely to be signed next month

The union had tabulated a series of complaints which it had termed "unfair labour practice", including that no employer has the right to refer to an employee as "boy" or "kafir".

Its second victory came this week when Datsun-Nissan agreed to pay more than R100 000 compensation to over 70 retrenched workers outside the industrial court in a settlement that has been seen as "a vital move in industrial relations"

Most decorated Ford new model launched at a cost of millions

192 E. Post

26/8/83

Business Editor

Ford (SA) will spend a total of R30 million to introduce the Sierra to the South African market, according to managing director Mr Brian Pitt

And R11 million of this bill has already been spent on tooling up to bring the most decorated Ford product ever built to the country

Addressing the product launch staged in Port Elizabeth today, Mr Pitt said one of the major challenges facing the country was an inflation rate which was three times that of the country's trading partners. Yet, despite this disturbing problem, Ford believed 1984 would see a return to growth in the motor industry.

"We are forecasting a 5%-10% increase for 1984,

and expect the passenger market to be reaching for the 300 000-mark," said Mr Pitt, Director of Vehicle Sales and Marketing. Mr Keith Butler-Wheelhouse, said the medium-sized car segment into which Sierra was being launched in South Africa accounted for "close on 22% of the total car market in 1981 and 26% in 1982

"And the indications are that it will reach an all-time high of 30% by the end of 1984," said Mr Butler-Wheelhouse, who added that Ford was confident it would "capture a major share of this rapidly-expanding segment"

Currently the Sierra model line-up was centred around sedan and station-wagon models with engine capacities ranging from 1,6 to 2,3 litres

"An added attraction is the high-performance sports model to be launched in 1984", he said

Mr Pitt told the audience of motoring correspondents from throughout the country that Ford proposed to remain "fully competitive" in the market-place in terms of value for money, styling, advanced technology and, most important, quality"

The balance of the R30 million bill which would ultimately be incurred to introduce the Sierra to the South African market, said Ford public relations manager Mr Phaldie Kalam, would be accounted for by "development and marketing costs"

The Sierra was the top-selling car in Britain for the first six months of 1983.

SA 29/8/83 (192) ~~191~~ ~~193~~

Sigma retrenches 341 more workers

Pretoria Bureau and
Labour Reporter

The Sigma Motor Corporation in Pretoria will retrench a further 341 black workers this week, says a company spokesman

This brings the total number of workers retrenched by Sigma since the beginning of 1982 to 1 220, which is more than the figure for any other national motor company

"The latest retrenchments come into effect on Friday," said Mr Leon Shirley, the company public relations officer.

Sigma was retrenching staff in response to the economic downturn. The company did not expect a speedy recovery from the recession

All workers being retrenched would be given a pro rata bonus and at least one month's salary.

The retrenchments had been made on a "last in, first out" basis but Sigma had retained those workers who possessed certain skills

Sigma negotiated with the National Automobile And Allied Workers' Union (NAAWU) last April to work an effective five-day week

The union is in favour of working short time rather than accepting retrenchments

By mutual agreement there have been sparse retrenchments in recent months but these were

made to the satisfaction of Sigma and the workers "Losing 341 men at one time is something entirely different," said a union spokesman

The workers met at the weekend and resolved to place before management alternatives to the retrenchments. Management and workers are to meet this afternoon

OTHER FIRMS

Spokesmen for the various motor companies in the country revealed that

● General Motors had retrenched a total of 650 workers, including 540 in September 1982 and 110 last January.

● Volkswagen had retrenched 499 workers, including 316 in 1982 and 183 this year. The company has been working various forms of short time since November 1982

● Datsun, which retrenched 50 workers between August and September 1982 and a further 102 in January, had recently agreed to re-employ 130

● Toyota had retrenched 102 people in December 1982 and had not worked short time since 1979. The company did not foresee further retrenchments this year

● Ford had retrenched 503 workers in August 1982 and there had been no further lay-offs to date. The company had worked a four-day week last April.

JECT INDEX

Sigma to retrench 341 in Pretoria

192

Sowetan

~~29/8/83~~ ~~29/8/83~~

29/8/83

THE Sigma Motor Corporation in Chrysler Park near Pretoria is to retrench 341 workers with effect from September 2, the company's director of public relations, Mr Leon Shirley, told The SOWETAN last week.

The workers, all from the manufacturing division, will be laid off because of the declining sales in the Peugeot and Colt models, he explained.

Mr Shirley said his company had discussed the issue with the Motor and Allied Workers' Union (Mawu) and that an agreement had been

reached whereby employees will be laid off on a "last-in first-out basis".

He further assured workers of compensation in the form of redundancy payments of "not less than a month's salary, leave pay, and an annual bonus worked out on a pro rata basis".

And from a supplementary benefit fund, "the only one of its kind in any South African motor corporation" Sigma will further assist workers with payments of 70 percent of their normal wages.

However, Mawu's na-

tional organiser, Mr B R Msiza, denied that any agreement had been reached with Sigma. He said the company had held talks with the shop stewards and his organisation was against the retrenching of workers.

"We have made it clear to Sigma that we still have to discuss the matter with all members and that we are reserving comment," said Mr Msiza.

A meeting of Mawu members was to be held on Friday night at the Mamelodi Community Centre to draw up a strategy.

Cripple case

(192) ~~33~~ ~~151~~ ~~154~~ 21004 30/8/83

A NEW record for an out-of-court settlement of a retrenchment dispute was probably set last week.

"Probably" because the exact cost of the settlement between Datsun-Nissan and Cusasa's United African Motor and Allied Workers Union will not be known for a while.

The company has agreed to reinstate 102 workers who were retrenched in January and to pay those who return 47% of the difference between their pay at Datsun and what they have earned since they were retrenched.

This comes as the two sides are discussing recognition and heads off an industrial court action by the union on the retrenchments.

The union says the settlement will cost Datsun more than R100 000.

Datsun, which says it settled to build a good relationship with the union rather than because it admitted it was wrong, says this is an "optimal" estimate based on all workers returning and on their having earned little while they were retrenched. So far 76 have returned.

But, bearing in mind that workers have been retrenched for eight months, the settlement is likely to top the record, which is less than R50 000.

Talk to Union 'or we strike'

By STEVEN FRIEDMAN
Labour Correspondent

WORKERS at a Pretoria motor components plant, Poole Industries, have voted to strike on Thursday if the company does not agree to talk to their union, the National General Workers Union, by Wednesday.

The union's general secretary, Mr Donsie Kumalo, alleged yesterday that the company was helping a rival union to recruit workers at its plant.

A company spokesman yesterday refused to comment on Mr Kumalo's statement. He said Poole's directors had decided that no company official should talk to the Press about the dispute between Poole and the NGWU.

However, the company previously told the Rand Daily Mail that it would not talk to the union because it was not registered and was not a member of the motor industry's industrial council. It has also told NGWU it will take action if its officials set foot on company property.

The company says it belongs to the Motor Industries Federation and will only deal with unions who negotiate with the MIF at the industrial council.

Mr Kumalo recently threatened to take legal action against the company for refusing to deal with the union at its plant, which employs about 300 workers.

He said yesterday that workers at Poole had met over the weekend and decided to give the company until Wednesday to talk to the NGWU.

He said workers had grievances relating to pensions and deductions from their pay and were also dissatisfied because, they alleged, management was helping a rival union, the Motor Industries Combined Workers Union, to establish itself in the plant.

"If the company does not open talks with us by Wednesday, the workers have decided they will down tools," Mr Kumalo said.

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Sigma workers decide to put off strike action

Aug 31/8/83

192

USA

Pretoria Correspondent
More than 600 Sigma Motor Corporation employees in Pretoria, who had unanimously agreed to stop working for an hour today in protest against planned retrenchments, changed their minds and turned up for work as usual this morning.

The original strike plan was formulated at a meeting held yesterday at the Mamelodi Community Hall.

Officials of the National Automobile and Allied Workers' Union (Naawu) informed workers at the meeting that the company management had reduce the number of re-

trenchments from 341 to 245.

But the employees decided not to start work at 7 am this morning to show their "resentment at the intended retrenchments".

But everything appeared normal at the giant car manufacturing plant between 7 am and 7 30 am today and it is suspected that an urgent meeting last night between Naawu officials and Sigma management helped to defuse the situation.

Workers at the factory had asked the union to inform the Sigma management that they would

prefer to work a shorter week rather than face retrenchment.

They complained that their credibility as workers "would be spoiled by the recurring retrenchments". The workers also said they would find it hard to get compensation from the Unemployment Insurance Fund or to find other employment.

The union told workers that all suggestions would be brought before the management.

Naawu officials and members of the Sigma management were locked in a meeting today and neither could be reached for a comment.

Men who backed



17/8/83 (92) (1404) (576) 1401

Motor men set for wage pact

Labour Correspondent

THE Eastern Cape motor assembly industry yesterday appeared on the verge of a wage settlement which will prevent an employer-union clash over wages for at least a year.

It is understood that, at a meeting of the industry's industrial council yesterday, employers made a wage offer which the National Automobile and Allied Workers' Union has agreed to take back to its members.

And NAAWU's leadership is to recommend that workers vote to accept the offer, informed sources said yesterday.

The industry's industrial council met yesterday amid fears that a new wage dispute could be in the offing in the industry, which has seen two big wage strikes over the past three years.

The fears arose because meetings of NAAWU members at Ford, Volkswagen and General Motors had voted to reject an employer offer of 8c/hour in August and 15c/hour in February for the lowest-paid workers.

Neither employer nor union spokesmen were prepared to comment formally on yesterday's meeting. Both said they had agreed not to issue Press statements.

Informed sources said, however, employers had made a new wage offer which provided for three increases — one now, one in February, and one next August.

It is understood they would raise minimum pay by 40c/hour. The current minimum is R2,15, although most workers at the bottom of the scale earn R2,30/hour.

The sources said the increases would ensure that minimum wages would rise by a higher percentage than the expected rise in the inflation rate over the next year.

This would meet NAAWU's demand that this year's increase compensate for the rise in the cost of living and that the industry begin to raise real wages again as soon as possible.

The offer will now be put to workers and their answer will be known by Friday.

It is expected, however, they will endorse the union leadership's suggestion.

MANUF. — MOTORS

1983

SEPT. — DEC.

Leyland to cut SA production

Cape Times 1/9/83 (192)

LEYLAND South Africa, which has its headquarters in the Cape, yesterday announced to its 2 300 employees and 65 dealers around the country that it will stop local production of Mini and Rover passenger cars at the end of the year.

From next year, Rover models, luxury Daimlers and Jaguars, as well as the smaller Metro and Maestro cars and the Range Rover, will be available from the parent company in England through the local dealer network.

The Land Rover, which is classed as a commercial vehicle, will continue to be manufactured along with the popular Leyland heavy trucks and buses.

Warranties

Leyland SA's public relations officer, Mr Arne Pitlo, said last night: "The company will continue with its current dealer organization and will honour all vehicle warranties and continue to supply ongoing parts-and-service facilities on a national basis. The Unipart business is expanding, as one of the fastest all-makes parts franchises in the country."

Uncertain

The position of some of the workers at the Blackheath and Elsie's River manufacturing plants is uncertain but it is unlikely that many will be dismissed. Leyland still has a contract with Renault Africa to

By **BRIAN GROBBLER**
Motoring Editor

manufacture the new Renault 9 models at the rate of more than 1 000 a month and will continue with its other major operations of truck and bus manufacture in South Africa.

The managing director of Leyland SA, Mr D R Beck, said at a lunch in Cape Town yesterday that "there will be some reduction in vehicle-assembly activities at the Elsie's River plant and production of Mini and Rover engines at Blackheath will cease".

Redundancy

"Leyland SA will make every effort to find alternative positions within the company for those whose functions are affected by the decisions but I must warn of the inevitability of some redundancy."

Mr Beck said Leyland SA had for some time been reviewing its future in the volume car market and considering new products to replace the Mini and Rover.

"After lengthy studies both in South Africa and with our parent company BL Ltd, we concluded a major new investment programme for new car products could not be supported. The decision was taken on purely commercial grounds.

"The tooling and operating capital requirements necessary to

introduce each new car range into South Africa under the existing local-content regulations is in the region of R35-million. Leyland SA would require at least two model ranges to compete effectively which would make its investment R70-million. Other costs, including the expansion of the dealer network, would add a further R10-million.

"Minimum sales volumes for two models of 2 500 a month are needed before a viable business could be achieved. This would require a market share of at least 10 percent compared to the less than two percent at present."

Over-traded

"For its size, South Africa is, I believe, the most over-traded vehicle market in the world, with 11 manufacturers selling 37 separate model ranges in a market that has yet to demonstrate the explosive growth historically predicted for it and had, in fact, declined both in 1982 and 1983."

Mr Beck said the Leyland SA manufacturing contract with Renault Africa is totally unaffected and a rising production programme is planned for the R9 models.

"I must stress that Leyland SA's other activities which by value are much larger than our car operation, will also continue totally unchanged and unaffected by the decision."

Leyland imports move 'no threat to industry'

By LOUIS BECKERLING
Business Editor

THE decision by Leyland (SA) to cease local production of passenger cars and turn to imports from parent British Leyland in the UK instead appears to pose no substantial or immediate threat to the remaining local manufacturers

This emerges from assurances given to the Evening Post today by the Leyland public relations manager, Mr Arne Pitlo, that the proposed imports would not include low-priced standard passenger cars, but would be confined to low-volume "speciality" cars at the upper end of the market

Leyland's decision, announced by the managing director, Mr D R Beck, in Cape Town yesterday, has come as little surprise to the rest of the industry

Mr Beck said the decision would not affect local production by Leyland of trucks and buses and the manufacture, under licence, of the Renault 9 (at the rate of more than 1 000 per month)

For consumers the decision means that the ubiquitous "Mini" will disappear from South Africa's roads, though Jaguar and Rover cars, which have been imported for some time, will continue to find their way to dealers on the same basis.

Mr Pitlo said that though the Maestro and Metro models provided the backbone of Leyland's presence in the UK, only the MG variants would be imported into South Africa at premium prices

This is evidently the understanding at Volkswagen (SA), where company spokesman, Mr Ronnie Kruger, said today Leyland's decision on imports would not mean much change to the South African vehicle market.

The General Motors managing director, Mr Lou Wilking, said he could not comment on Leyland's decision. Should their move to import vehicles raise concerns that the current duty of 105% was insufficient then he wondered if the question had not arisen whether local content requirements had gone too far.

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Naawu, Sigma try to crack deadlock

By TOM GWEBU

THE National Automobile Allied Workers Union (Naawu) and Sigma Motor Corporation management will meet again today in an effort to resolve the issue of 431 workers due to be retrenched tomorrow.

Two meetings held this week between both parties ended in deadlock. Mr Leon Shirkey, director of public relations for the company, yesterday said there were problems and he would only issue a statement tomorrow —

the day retrenching would be effected

Organising secretary of Naawu, Mr Roy Msiza said Sigma had made certain proposals to his union but these had not been accepted. Management had said that the retrenchments were inevitable due to the economic climate prevailing in the country.

“Naawu in turn made proposals to management among which were a four-day working week or shorter working hours. My union is against the laying off of

workers under any circumstances,” said Mr Msiza.

Terror charge

MR SIPHIWE Wilfred Makhathini (26), and Mr Nthokozisi Nobleman Shezi (18), appeared in the Pietermaritzburg Supreme Court yesterday on charges of terrorism and unlawful possession of machineguns, grenades, ammunition and explosives.

Proceeding.



Sigma cuts retrenchments from 341 to 237

By ANTON HARBER

SIGMA Motor Corporation has reduced by nearly a third the number of workers it is to lay off at its Silverton plant at Pretoria after discussions with the National Automobile and Allied Workers Union (Naawu) and "mindful of the Prime Minister's appeal to industrialists not to retrench workers".

But Naawu has issued a statement saying it does not agree with the retrenchments which will place a major strain on workers and their families and which "should have been avoided".

Sigma announced last month that because of the weakening motor market, it would retrench 341 workers. But yesterday, Sigma's director of human resources, Mr S S Lemmer, said only 237 workers would be paid off.

The earlier decision had been reviewed after discussions with Naawu and "mindful of the Prime Minister's appeal to industrialists not to retrench workers", Mr Lemmer said in a statement.

The motor industry as a whole was experiencing a weakening demand, which did not warrant the higher production volumes originally anticipated for the second half of the year, and Sigma had had to revise production schedules.

"Sigma has no option but to implement its retrenchment programmes as amended with effect from September 2," he said.

The lower number of retrenchments was still not acceptable to Naawu, "but it is not practical for us to reduce this number any further," he added.

Mr Lemmer pointed out that the retrenched workers had been identified by applying the "last-in-first-out" principle, as agreed with Naawu, though shop stewards and workers with scarce skills might be retained.

He stressed that each worker would receive redundancy pay of not less than one month's wages, leave pay, and a *pro-rata* share of the year-end bonus.

In addition, Sigma would ensure that those who qualified by service would receive payment from the corporation's supplementary unemployment benefit fund.

The Naawu statement said they did not agree with the move.

"While the union appreciates that Sigma management has, as a result of union representation, cut the number of people to be retrenched from 341 to 237, we believe that these retrenchments should have been avoided by working more short time than has thus far been the case.

"The retrenchments, coming as they do near the end of the year, will place a major strain on those workers and their families who will definitely not experience any Christmas cheer," the statement said.

Motor exports on cards for E Cape makers?

192 ~~197~~ ~~198~~

E-Post 3/9/83

THE Eastern Cape's motor industry appears to be paying increasing attention to the prospects of diversifying into the export market.

This emerged during investigations prompted by yesterday's comment on steel prices by the newly-elected Mayor of Port Elizabeth, Mr Ivan Krige.

Addressing delegates to a Midland Chamber of Industries symposium titled *Planning for Regional Industrial Growth*, Mr Krige remarked that a member of a recent Board of Trade delegation to Port Elizabeth had expressed sympathy for the argument that local industry is disadvantaged by the costs of railing steel from the Reef.

"He said the board would in all probability look sympathetically at requests that our requirements of steel either be sold to our steel users by Iscor at ruling world prices, or for them to be allowed, whenever they wish, to import their raw steel requirements without penalties or other hindrances."

Mr Krige revealed afterwards that the BoT member he had referred to was "an old friend", Mr Herbert Mabin, former director of Assocom (Mr Krige was

once administrative secretary of Assocom)

"I suggested to him that local steel-users be subsidised in some way to compensate for the high costs of railing in steel from the Reef, and then returning it in the form of finished goods.

"He said we should make a formal approach along these lines and the board would be most sympathetic."

Mr Krige said no such formal approach had been made, and he was somewhat disappointed by the reaction of Gabdec (the Greater Algoa Bay Development Committee), which had not shown much enthusiasm for the proposal.

Motor industry spokesman confirmed that the question of steel prices and possible subsidies to compensate for the locational disadvantages were under discussion — but the programme would probably be confined to products due for re-export.

One spokesman said this was under investigation and proposals were in the process of being formulated.

"This sort of thing naturally does not come together overnight," he warned.



By Louis
Beckerling
Business Editor

Repeated efforts to contact either Dr Basie Kleu (chairman of the Board of Trade) or Mr Mabin failed.

However, evidence suggests that if the proposals are submitted to the Board, a hefty subsidy would be required to reduce the landed cost of improved surface-finished (ISF) steel employed by the motor industry for pressing into vehicle components.

Cost to local industry — taking into account the rail-age — is around R836 a ton, which contrasts with the R470-a-ton domestic price charged in Germany. Once

shipping costs are added, effective landed cost of importing a ton of steel from Europe or Japan would be in the vicinity of R630 a ton, some 25% lower than the ruling Iscor price.

Motor industry sources said they understood the BoT's sympathy with the view that local motor industry should buy its steel at this price extended only to the re-export market.

There is nonetheless consensus that whatever maximum subsidy or concession is applied for in respect of export products, local industry should be insulated against the costs of railing-in steel for use in the domestic market.

Motor industry men have commented in the past that the steel price should be effectively "equalised" throughout the country, for the alternative is that each car produced in the Eastern Cape costs upwards of R300 more than the comparable products produced on the Reef.

This difference provides Reef manufacturers with an edge which is contributing to the steady erosion of market share by Eastern Cape vehicle manufacturers.

In his address to the chamber's seminar, Mr Spencer Sterling, managing director of Sigma, admitted that decisions on the location of automotive manufacturing and assembly facilities in South Africa were becoming increasingly complex.

Sigma's decision to transfer assembly of medium trucks from Pretoria to Port Elizabeth was "in effect an extension of a rationalisation process based on two important criteria.

● "An assembly facility dedicated to heavy trucks already existed in Port Elizabeth.

● "The new assembly plant in Sigma Park was designed specifically for cars and light commercial vehicles and the imposition of medium trucks would have required substantial incremental expenditure to eliminate facility limitation and would have created substantial incremental complexity in the plant."

Mr Sterling warned, however, that the decision which relocated assembly of medium trucks to Port Elizabeth was "not irrevocable."

various speakers will and remote rather than needs

Union says firm could save jobs

WHILE the National Automobile and Allied Workers Union (NAWU) appreciates that Sigma management has decided to cut the number of workers to be retrenched to 237, the union feels the retrenchments could however have been avoided by working more short time than has been the case.

Sigma Motor Corporation originally intended retrenching 341 workers but after union representation the number was cut down to 237. The union says the retrenchments, coming as they do near the end of the year, will place a major strain on the workers

and their families who will definitely not experience any Christmas cheer.

Sigma said it was reducing the number of the retrenched workers because of union representation and because of the Prime Minister's appeal to industrialists not to retrench workers.

The motor industry as a whole is experiencing a weakening demand which did not warrant the higher production volumes originally anticipated for the second half of the year.

Sigma will give the retrenched workers redundancy pay of not

less than one month's wages, leave pay and a pro rata share of the year-end bonus. Those who qualify by service would receive payment from the corporation's supplementary unemployment benefit fund.



Mr Ephraim Tshabalala

People's Poll

THE Prime Minister, Mr P W Botha, has announced November 2 as the date on which South Africans will tell the Government in a referendum whether they support the new constitutional proposals.

Blacks have been excluded from participation in the new proposals. Coloureds and Indians have been included to some extent,

causing division in these groups over whether to participate or not.

We now want to know from YOU what your views are. This is why we will run our own "People's Poll". You must tell us what you think.

The "People's Poll" will give you that opportunity. Watch out for details of "People's Poll".

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Retrenchments of workers at Sigma cut by over 100

Sigma Motor Corporation has agreed to trim its original retrenchment of black workers at its Pretoria plant from 341 to 237

Sigma said the new retrenchment figure was still not acceptable to the National Automobile and Allied Workers Union (Naawu) but it was "not practical for us to reduce the number of retrenchments any more"

Sigma said it had decided to review the retrenchment figures because of the Prime Minister's appeal not to retrench workers

Buoyant conditions which prevailed in the motor industry during the first half of the year had shown a consistent decline in recent months

As a result Sigma had to revise its production schedules and reduce its labour force. It had recently introduced several new models and while they were meeting expectations the motor industry was experiencing weakened demand

"It now seems the expected economic upturn will materialise only during the second half of 1984" Sigma said

All retrenchments came into effect on Friday

Sigma has ensured that all retrenched workers will get redundancy pay of not less than one month's wages leave pay and a pro-rata share of the year-end bonus

Those who qualify by

service will get payments from Sigma's Supplementary Unemployment Benefit Fund

Sigma said it would also help workers get Department of Manpower benefits

Naawu said "While the union appreciates that Sigma management cut the number to be retrenched we believe that these retrenchments should have been avoided by working more short-time than has been the case"

"The retrenchments coming as they do near the end of the year will place a major strain on those workers and their families who will definitely not experience any Christmas cheer"

End is nigh for Knysna's 3-strong elephant herd

Pretoria Correspondent

When the last great tusked in the Knysna forests dies — and it will be quite soon now — the world's southernmost elephant will be extinct

There are three elephants left in these forests on the Eastern Cape coast. They are living proof of the jumbo-sized problem facing conservationists in Africa

To Africa the elephant is like the canary in the miner's cage, warns an article in the latest conservation magazine to be published in South Africa, "Environ" — and the warning bird is dying before our eyes

There is simply not

ests One by one the animals disappear

"In Africa the elephant is one of the first to go" says Mr Graham Ferreira, editor of the magazine

Elephants within protected areas soon have their own population explosion, and then their pressure on the environment becomes unbearable. Culling is the only answer in many cases

Unless a concentrated international drive to curb the rising human birthrate takes place soon it will be too late

"To this end a heavy responsibility rests on the shoulders of social, political and religious leaders to face the problem and decide what is to be done"

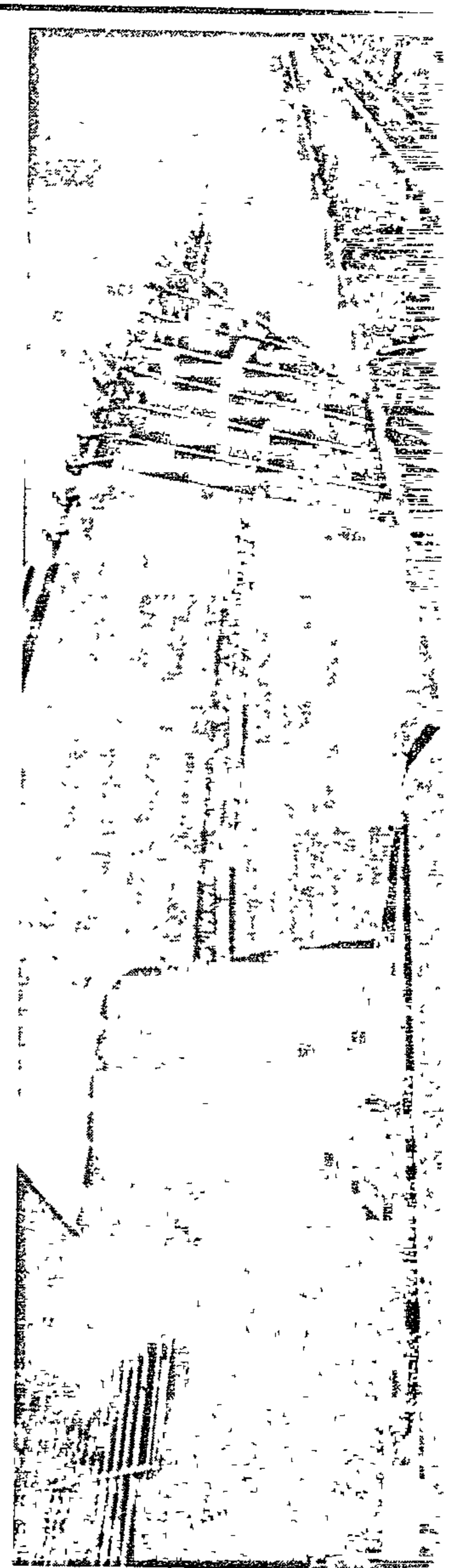
Flight is delayed by ownerless luggage

A Boeing 737 en route from Cape Town to Johannesburg was delayed for 15 minutes at Bloemfontein's JBM Hertzog Airport yesterday while security personnel searched all luggage on board

The South African Airways flight was delayed after it was discovered that a piece of luggage in the hold was "unidentified"

An SAA spokesman, Mr JC van Rooyen, said today a standard security check was conducted before the flight was due to depart for Jan Smuts

"Luggage belonging to a passenger who missed the flight was discovered and security personnel carried out a check. It often happens that the number of baggage items registered do not corre-



The blue and white walls of the Anglo American Property Services' spectacular building in Diagonal Street will be keeping their sparkle

A special gondola from which the windows will be cleaned was hoisted to the top of this futuristic building at the weekend

Johannesburg traffic police closed a section of

School for 'Dui

East Rand Edu

Police are search a 16-year-old Br girl who has been for more than two w Surita Mulder wa seen at her Brent

Local content, free enterprise in conflict

1972

E. Post

6/9/83

WHEN the economic recovery comes we can expect an upsurge in the South African vehicle market. However, the upsurge will be limited by a lack of skilled manpower, as it was in 1980-'81.

This is partly caused by an increasing requirement for local content, implications of the local content programme, and import protectionism.

When the economic conditions are favourable, we have spread our people resources too thinly to take advantage, so the country misses an opportunity.

This leads to substantial wage increases in order to hold or attract manpower (womanpower) which is inflationary and it puts a cap on providing employment because the country is busy building local content in many cases at very high cost penalties!

Our studies have indicated that local content is cost-effective up to about 50%. Beyond 50% the cost penalty increases in an exponential progression.

People can argue that the added 16%-plus of local content provides jobs, and I would accept that this is true.

But are the jobs of the nature that provides employment to those who are currently in the masses of the unemployed? I would suggest not!

Let me ask a question.

Why did all manufacturers import completely built-up vehicles in 1982 totalling 2 400? Why were 4 000 Daihatsu Charades brought in this year? And how could they pay 105% duty and still be competitive?

Why has my company brought in Isuzu and Suzuki specialty vehicles?

There are several answers. They include:

- Specialty low-volume, high-price vehicles that

Mr LOU WILKING, managing director of Port Elizabeth-based General Motors, addressed students at Grahamstown last week to mark the 25th anniversary of the commerce students' organisation Aiesec.

As Mr Wilking's speech included a detailed statement on GM's attitude towards local content and vehicle imports the EVENING POST has republished the relevant extract in the interests of the on-going debate on these controversial issues.

cannot be economically produced in South Africa under the local content regulations.

- Testing the market before substantial facility and tooling investments are made.

Despite heavy duties, such vehicles will cost the consumer less — which then begs the further question of what price local content?

There are 16 different manufacturers' products made in South Africa. The total passenger volume sold in South Africa would be only one plant's production in the US and Japan.

It cost R2 to R25 million to bring out one model line — such as the Kadett and Ascona, and our new Rekords, Commodores and Senators to be released in October.

It does not take a very smart bookkeeper to realise that products in South Africa must, by the resulting low volume, be expensive.

The question I asked earlier was "How much does local content cost?"

I don't really know the precise amount, but it could be 10% to 15% of the vehicle cost.

Remember I said R4 000 million is the value of vehicles sold in South Africa.

Is the penalty then somewhere in the region of R400 to R600 million?

And how many jobs does

the penalty create? If it created 10 000 jobs it would cost R40 000 to R60 000 per job per year forever.

Moreover, it put a cap on the industry's ability to meet the upswing in 1980-'81, and it will do it again in 1984, '85 and '86.

If the skilled manpower was not diluted by the local content programmes it could be utilised to support the remaining industry which would allow it to employ more people of the unemployed masses, probably equalling the 10 000 lost in local-content industries, in that the job requirements would be more within their capabilities.

Could we not take the R400-to-R600-million penalty in the industry and utilise it to build the desperately needed housing?

And wouldn't that provide more jobs and at a far reduced cost to the economy? The skills required in house-building would be more in line with the skills available!

On the question of importing completely built up vehicle imports there are some simple rules:

- 1 There must be permit availability.
- 2 Payment of 100% excise duty plus 5% surcharge (if the vehicle is in the local content rules — not all are).
- 3 Approval by the exporting country that the vehicle may be sold in South

Africa

Imports mean more employment for landing and clearing operations at the port of entry and the units are still subject to the same sales, parts, service and maintenance requirements and therefore do not replace employment in the support areas.

In fact they add employment if the vehicles are specialty types not replacing locally-produced vehicles. Again, not all vehicles are under local-content rules.

There is an offset also when talking about foreign exchange.

On the other hand, I do see a very real customs gain of approximately R2 300 or R2 500 for each passenger vehicle that comes in.

So the slight employment loss on the one hand is counterbalanced by customs benefit on the other, which only goes to show that the cost base of local manufacture, as I have said before, is high.

We must also not lose sight of the fact that the Government is fully aware of the capital tied up in local motor manufacture and there is no question that it would ever allow the import of fully assembled vehicles to become out of hand.

You can argue that by having local content it creates job opportunities. I can argue that because you have local content your vehicles are highly priced so that you do not sell as many vehicles as the country is willing to buy — so possibly with lower prices you would sell greater volumes.

What I am actually saying is that high levels of local content may not necessarily have created employment. In fact it could be restricting full employment in the motor industry. So, therefore, you find

that in our case we are bringing in specialists Isuzus and Suzukis and are doing this to test the market before investing expensive local manufacture.

However there are other valid reasons for imports:

- High-luxury vehicles not locally available.
- Sports cars.
- Specialty vehicles (such as Land Cruisers, Range Rovers).
- Samples for development of local manufacture.
- Volumes may be low for local tooling.
- Market testing.

Imports translated manhours means we have more or less 100% worth of local labour unit if a local unit is placed. Therefore, every vehicle brought in means the loss of approximately one job.

I think that you will continue to see the arrival of imported vehicles, but primarily of a specialty type and/or cheap Japanese-type vehicles.

Finally, the big question is if our costs are out of line, are we stifling the market?

Just think about this: our South African-produced vehicles are 20% higher costwise — or, turn around the other way, if did not have a high local

Profile motor

DURING his address to in Grahamstown last week following pen-picture industry:

- There are 47 500 employed in the heavy commercial vehicle industry.
- Component suppliers and further down the suppliers of raw materials, textiles from a variety of sources.
- Some 2 300 vehicles, able to provide jobs for 120 000.
- Annual retail sales of R4 000 million, which is 7,5% of gross national product.
- General Motors vehicles this year and 42 000 next year.
- Sixteen different models in South Africa sell a total equivalent to a single U-

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Content, free enterprise in conflict — Wilking

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E-Post

6/9/83

BOU WILKING, managing director of Port Elizabeth-based General Motors, addressed members at Grahamstown last week to mark the 25th anniversary of the commerce students' organisation Aiesec.

Mr Wilking's speech included a detailed comment on GM's attitude towards local content and vehicle imports the **EVENING POST** republished the relevant extract in the interests of the on-going debate on these controversial issues.

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Despite heavy duties, vehicles will cost the consumer less — which begs the further question of what price local content?

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You can argue that by having local content it creates job opportunities. I can argue that because you have local content your vehicles are highly priced so that you do not sell as many vehicles as the country is willing to buy — so possibly with lower prices you would sell greater volumes.

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that in our case we are bringing in specialised Isuzus and Suzukis and we are doing this to test the market before investing in expensive local manufacture.

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- Specialty vehicles (such as Land Cruisers, Range Rovers)
- Samples for development of local manufacture
- Volumes may be too low for local tooling
- Market testing

Imports translated into manhours means we lose more or less 100 hours worth of local labour per unit if a local unit is replaced. Therefore, every 20 vehicles brought in could mean the loss of approximately one job.

I think that you will continue to see the arrival of imported vehicles, but primarily of a specialty nature and/or cheap Japanese-type vehicles.

Finally, the big question is if our costs are out of line, are we stifling the market?

Just think about this: If our South African-produced vehicles are 20% higher costwise — or, turn it around the other way, if we did not have a high local

content programme if all vehicle prices in other words, were reduced by 20%, would the car market go up?

In 1981 the car market sold a total of 453 500 units. If the price across the board was 20% less, how many more vehicles would we have sold — 500 000 525 000?

If, instead of selling 450 000 we sold 500 000 from a diminished local content base, how many more jobs would we have created is the question.

Certainly it would have stimulated the economy at retail level, service stations and the remaining manufacturing industry.

Now, if you want to take it to the nth degree, and we go, say, for 95% local content, not only will you price yourself out of the market, but you would still have the same model and shape vehicles as you have today in the year 2000 — as is the case in a number of South American countries.

You would not sell the total vehicle market of 450 000 we sold in 1981, you would probably sell 250 000.

So I guess what I am saying is, there is a balance.

I think we have got beyond the productive balance in South Africa and that is why you are seeing some imports.

Profile of SA's motor industry

DURING his address to the Aiesec anniversary dinner in Grahamstown last week, Mr Wilking provided the following pen-picture of the South African motor industry:

- There are 47 500 people of all population groups employed in the manufacture of passenger, light and heavy commercial vehicles in South Africa
- Component suppliers employ over 100 000 people and further down the line there are, in addition, suppliers of raw materials such as steel from Iscor and textiles from a variety of sources.
- Some 2 300 vehicle and parts retail outlets probably provide jobs for 125 000 to 150 000 people.
- Annual retail sales value of all new vehicles sold is R4 000 million, which represents between 6,5% and 7,5% of gross national product
- General Motors forecast the sale of 403 000 vehicles this year and 42 000 in 1984
- Sixteen different manufacturers' products made in South Africa sell a total of passenger units which is equivalent to a single US or Japanese plant's output.

Backers pump extra ¹⁹² R100m into Sigma ^{8/9/83}

THE joint shareholders of Sigma Motor Corporation — which lost R55-million last year — are pouring another R100-million into the group in a re-financing exercise that involves additional equity and shareholders' loans.

Anglo American Corporation (Anglo) and Anglo American Industrial Corporation (Amic) each hold 50% of Sigma. They will contribute a combined R75-million in equity funding and R25-million in loans.

In a brief statement released yesterday, Sigma chairman Mr Chris Griffith said the additional funding reflected Anglo's and Amic's confidence in the future of the South African motor industry in general and Sigma in particular.

It was disclosed earlier this year that Sigma had incurred a loss of R55-million during 1982. Mr Griffith said at the time Anglo and Amic had agreed to a major re-financing plan for the huge motor group.

In January, Chrysler Corporation decided to sell its 25% stake in Sigma to Anglo and Amic for R16 500 000, in a deal interpreted at the time as being a necessity for the troubled Chrysler Corporation, which had built up debts totalling \$3 500-million between 1978 and 1981.

There were also strong indications that Chrysler was unhappy with Sigma's management, as well as fearing future political problems.

That management difficulties were a major factor behind Sigma's disastrous performance last year became evident when Mr Spencer Sterling was appointed managing director.

Within weeks, the no-nonsense motor industry professional presented the Press with an assessment of the problems in the group with a frankness quite uncharacteristic of previous communi-

By JOHN MULCAHY

cation from Sigma.

In a drastic purge of senior management at Sigma, the managing director and five other members of the nine-man executive committee left the group, which had suffered an alarming reduction in market share.

At the time of its formation in 1976, Sigma had a 7% share of the South African vehicle market. This rose to a peak of 19,9% in 1980, after which things started going wrong.

Severe problems with the Peugeot range were largely responsible for a drop in market share to less than 17% in 1981, a record year for the industry as a whole.

A London Financial Times report in January quoted a Sigma dealer as saying that by the end of last year, the group had become "the laughing stock of the South African motor trade".

In yesterday's statement, Mr Griffith said considerable progress had been made with the re-organisation of Sigma "and it is confidently expected that Sigma will play a leading role in the motor industry in South Africa in the years to come".

Mr Griffith was out of town and could not be reached for further comment.

Mr Sterling said he could not comment on the shareholders' (Anglo and Amic) rationale behind the injection of the additional R100-million, but from Sigma's viewpoint the group was back on the tracks and would probably move back into the black during this year.

He said the R100-million was destined both for specific programmes — the group has already launched two new car lines and a range of new light commercials — and to put the group on a more healthy financial footing.

Mr Griffith said in March it had been recognised that Sigma was over-g geared and new equity was needed.

Mr Sterling said yesterday the group still faced a difficult period this year, but there should be a substantial improvement in its fortunes in 1984.

After suicidal discounting that marked the industry last year, pricing structures had stabilised.

"Although we would obviously like to see better prices — we are still not recovering inflation-related returns — this is a reflection of the competitiveness of the market and we have not seen a repetition of last year."

There was some evidence of discounting at the retail level, said Mr Sterling, but there had been an overall stabilisation.

COMMENT: Being jointly owned by Anglo and Amic, there are no accurate figures available on what the total investment in Sigma has been since day one, and hence no means of assessing the return on the group's investment.

That urgent and radical surgery was needed became apparent at the end of 1982, and from all accounts the treatment is well in hand.

It remains to be seen, however, whether the additional funding is justified, or whether Anglo would have been better out of the motor sector altogether.

An important factor in Sigma's future could be the degree of autonomy afforded to Mr Sterling.

On his appointment, he made no bones about the fact that he was the managing director and would brook no interference in day-to-day management.

While the cyclical nature of the motor industry is a fact of life and not peculiar to Sigma, the group has some way to go before it proves to have been a worthwhile enterprise for the Anglo group.

Warning
on threat
to motor
industry

192
E. Post
12/9/83

By FRED ROFFEY

CAPE TOWN — Thousands of workers could be thrown out of work in the motor industries of South Africa and other countries if the West does not meet the threat coming from factories in Japan using a flexible manufacturing system (FMS), which will produce cars for export cheaper than other countries can make them

This warning was given in Cape Town by Mr Martin Bailey, deputy director, of the Materials Handling Research Unit at the University of the Witwatersrand

Speaking at a seminar organised by the South African Institute of Materials Handling, he said factories using an FMS cut cost dramatically by incorporating robotics, horizontal transport systems and automated storage and retrieval systems, all controlled by computer

This flexibility enabled the factory to produce car engines on one day, crankshafts the next and exhausts on the third day and so on — all on one production line and with a minimum of human help.

"If South Africa does not set up its own FMS's, we could eventually be importing most of our cars from other countries using the systems, and thousands could be thrown out of work in the South African motor industry," said Mr Bailey

"There are no systems like this at present in South Africa, about 100 in Japan, 100 in the USA, and several in Britain"

"However, South Africa has started to use robots
It is estimated that 30 000 to 40 000 robots will be in use in South Africa in 10 years, many of them in the motor industry"

A threat to ~~the~~ SA's motor *Stew* ^{13/9/83} car makers

Labour Reporter

A deadlock in wage negotiations between the National Automobile and Allied Workers Union and Auto Plastics has sparked a national strike by at least 900 workers. Five hundred downed tools at Auto

Plastics' Rosslyn plant in Pretoria on Monday afternoon after employers refused to respond to a demand of a 15 cents an hour increase across the board on the minimum hourly rate of R1,23.

The strike continued today in the presence of police at the plant, while union officials met with management representatives in an effort to resolve the dispute.

An official from the Industrial Council has been invited to attend the talks.

The strike threatens to bring motor manufacturing production lines to a halt. Auto Plastics is a major supplier of plastic trimmings to the motor industry. Producers such as Sigma do not keep extensive stocks of car-seat covers and other essential plastic parts. An extended strike could bring production at these factories to a halt.

In further protest over the deadlock, another 400 workers at Auto Plastics plants in Cape Town and Port Elizabeth went out on strike today.

A union spokesman said it was possible that Auto Plastics workers at the Durban plant would go out on strike later today.

Union looks into firm's refusal to pay workers it had laid-off

Star 14/9/87 *(102)*

By Sue Leeman, Pretoria Bureau

The National Automobile and Allied Workers Union (NAAWU) is investigating the legality of Sigma's refusal to pay 2 000 workers at its Pretoria production plant after they were laid off for the day yesterday because of a strike at another factory

Production was temporarily halted at Sigma after a strike by 500 workers at Auto Plastic in Rosslyn, which supplies Sigma with various products

Sigma's production cuts are believed to have cost it hundreds of thousands of rands

The company said that as nothing was produced yesterday, workers would not be paid for hours not worked

National pay negotiations between

NAAWU and Auto Plastic management broke down on Monday and about 1 000 workers at the company's Rosslyn, Port Elizabeth and Cape Town plants downed tools in protest

However, the deadlock was resolved yesterday when NAAWU recommended workers accept an eight cents an hour across the board increase - pushing the minimum wage up from R1,23 to R1,31 an hour

The workers had demanded a 15 cents an hour across the board increase but were told by management it was not economically possible

All 500 workers at the Rosslyn plant returned to work today as did the 150 workers at the Cape Town branch. It was not clear whether the Port Elizabeth workers had returned to work

Appeal to find sister

The Red Cross has asked for the public's help in tracing the sister of a blind man in Cape Town

Mr G Gardiner is looking for Miss Rita Gardiner who is believed to be living in Boksburg or elsewhere on the East Rand

The Red Cross says Miss Gardiner is in some way connected with the surname Athens. The ailing Mr Gardiner last saw his sister several years ago

Anyone who knows where Miss Gardiner is should contact the Red Cross at (011) 29-2440



THE SERVICE
THE PERFORMANCE
THE RELIABILITY
THE QUALITY
THE CAR
THE PLACE
THE PEOPLE
THE DEALERS

Argus 14/9/83

Striking workers agree to return

Labour Reporter

THE 1 000 Autoplastics workers, who downed tools yesterday after a pay dispute, have agreed to return to work today

This follows their acceptance of a new management wage offer of an eight-cents-an-hour increase with immediate effect

A spokesman from the National Automobile and Allied Workers' Union (Naawu), to which the workers belong, confirmed the offer had been accepted by workers in the Cape Town and Port Elizabeth factories

Workers at Pretoria's Rosslyn factory, where the strike started, had not yet met to consider the offer, according to the Naawu spokesman

LIVING WAGE

Naawu had originally asked for a 15 cents across the board increase. The demand was based on the union's "living-wage concept" of R3,50 an hour

The campaign for a "decent living wage" is one which has long been waged by the union and its mother body, the Federation of South African Trade Unions (Fosatu)

However, management responded by offering a 5 cents across the board increase, with effect from October 1

During the work stoppage, worker representatives continued negotiations with management, who agreed to pay an increase of eight cents an hour, with immediate effect

INTERIM

"The workers have accepted this as an interim measure, but they are still determined to push for a living wage," said the Naawu spokesman

At present the workers earn a minimum of R1,23 an hour

A heavy police presence at the Autoplastics factory in Port Elizabeth yesterday was strongly condemned by the union

"There was no indication of violence and a police presence was completely unnecessary," said the union

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1 000 Naawu ~~#192~~ 192 ~~192~~ members back at E. Post 14/9/83 work after strike

Post Reporter

ABOUT 1 000 members of the National Automobile and Allied Workers Union (Naawu) who had gone on strike at three branches of motor components company Autoplastic in Port Elizabeth, Pretoria and Cape Town returned to work today.

This was confirmed today by Mr Roy Msiza, national organiser of Naawu in Pretoria, who said workers had received an increase of 8c an hour.

More than 120 Naawu members downed tools at Autoplastic, in North End, Port Elizabeth, yesterday morning to join the strike which spread to three major centres throughout the country.

The stoppage was believed to be the first in recent labour history where plants in several parts of the country owned by one company went on strike at the same time in support of wage demands.

The company initially refused to concede any increases on account of its financial position, according to Mr E A Maepe, branch secretary of the component factories for Naawu in Port Elizabeth.

Mr Maepe said this resulted in the strikes. After a meeting with the company at 3pm in Pretoria yesterday, Naawu accepted the 8c offer.

"Wage increases come into effect next week," he said. Workers at present receive a minimum of R1,23 an hour.

Mr Maepe said police had been present at the Port Elizabeth branch yesterday but relations had been peaceful.

About 2 000 Sigma Motor Corporation workers were laid off for the day yesterday at Sigma Park and would not receive wages for hours not worked. This stoppage resulted from shortages of trim supplied by Autoplastics.

Strike at auto plant a first in SA history

Black Sash enters poll campaign

By STEVEN FRIEDMAN
Labour Correspondent

IN WHAT is believed to be the first strike of its kind, about 1 000 workers at three plants owned by motor components company Autoplastic — in Pretoria, Cape Town and Port Elizabeth — this week downed tools in support of wage demands

But, a Sigma spokesman said last night that the stoppage at the plant in Pretoria was resolved yesterday, reports DAVID CAPEL

The strike is believed to be the first in recent labour history in which plants in several parts of the country owned by one company have struck at the same time in support of the same demands

The stoppage follows national wage talks between the company and Fosatu's National Automobile and Allied Workers Union in which NAAWU representatives from all four Autoplastic plants took part. Only the Durban plant, in which NAAWU does not represent most workers, has not joined the strike

Before the report of a settlement at the Pretoria plant, NAAWU said the company had offered workers an 8c an hour increase.

The union said it would recommend that workers accept this offer and union sources are confident all strikers will agree to do this

However, a NAAWU Transvaal spokesman said the strike had followed national wage negotiations in August which had continued this week

These, he said, were part of an attempt by NAAWU to have one national set of wage negotiations with companies where it represented their workers in various parts of the country

Management told the union at negotiations they could not afford any increases because of the state of the economy and the motor assembly industry, NAAWU spokesmen said. When workers were told of this, they downed tools

The Rosslyn plant, near Pretoria, stopped work early on Monday afternoon, the Cape Town plant later that afternoon and the Port Elizabeth plant yesterday morning. Talks have been taking place since then

NAAWU's general secretary, Mr Fred Sauls, said late yesterday the union was attempting to arrange facilities to put the 8c offer to workers and was confident they would accept

He added that he was concerned, however, by the presence of police at the Port Elizabeth strike. He charged that they had been called soon after the strike began and added that NAAWU would take this issue up with Autoplastic

A Sigma spokesman in Pretoria told Sapa yesterday that if the strike did not end soon, production lines could come to a halt within 24 hours

However, Mr Sauls said he believed this was an overstatement.

"One company, which is in a special position, could be affected if the strike lasted two days, but the others would only begin to feel the effects in four days to two weeks," he said

Announcing the end to the stoppage in Pretoria, a Sigma spokesman said Autoplastic would commence production today and normal supply would begin to flow through to Sigma during the day

The cessation of supplies from Autoplastics had made it impossible to continue production at Sigma Park, and workers were laid off yesterday. About 2 000 workers were sent home

"Sigma will resume normal production planned for this week today. The 2 000 workers should be back at work," the spokesman said

He added that since no production was achieved yesterday as a result of the supply shortage, workers laid off for the day would not receive wages for hours not worked

By DAVID CAPEL
Mail Reporter

MANY people are concerned about which way to vote in the referendum — "and their puzzlement has been aggravated by the "irresponsible manner" in which the Government is endeavouring to sell its proposals, the Black Sash said yesterday

National vice-president of the organisation, Mrs Joyce Harris, said in a statement the Black Sash had arranged a series of house meetings in an effort to provide members of the public with relevant information concerning the constitutional proposals and their implications

Informed speakers would answer questions and discuss problems

"The decision which people will be called upon to make on November 2 will have fundamental and long-lasting results not only on the course of history, but upon immediate, everyday life," Mrs Harris said

"All will be affected, whether or not they are permitted to participate in the referendum, or whether or not they are included in the proposals. They, too, will react to the results of the referendum, with possible repercussions for the entire country"

Report by David Capel 171 Main St, Jhb

Union ~~is~~
accepts ¹⁹²
pay offer ~~192~~

14/9/87
Labour Reporter

ABOUT 1000 workers, all members of the National Automobile and Allied Workers' Union (Naawu), this week downed tools at three plants of a motor-components firm, Autoplastic, in a wage dispute

The plants are in Cape Town, Pretoria and Port Elizabeth

The Cape Town secretary of Naawu, Mr Joe Foster, said the company had offered an immediate eight-cents-an-hour increase

A Sigma spokesman said the work stoppage at the Rosslyn, Pretoria, plant of Autoplastics was resolved yesterday in negotiations between the manufacturers and Naawu

The spokesman said Autoplastics would begin production today

Mr Foster said the union had been demanding a 15-cents-an-hour increase backdated to July, but were happy with the eight cents offered yesterday

Sowetan
Car strike spreads

149183
A STRIKE by 600 workers over a pay dispute at a car parts factory in Pretoria has spread to major centres throughout the country

192
~~192~~
said yesterday production lines could come to a halt within 24 hours

The workers are all members of the National Allied Automobile Workers Union
— Sapa

Workers at Autoplastic (Pty) Ltd in Rosslyn went on strike on Monday when negotiations for pay increases broke down Yesterday, workers at the Autoplastic plants in Port Elizabeth and Cape Town downed tools and union officials believe Durban workers will strike next

The strike, involving about 1 000 workers, is threatening setbacks within the country's motor industry

It has already threatened production lines at the Sigma Car Manufacturing company A spokesman for Sigma

Drought hits at tractor sales

192
~~General~~

Star 14/9/83

Hannes Ferguson,
Farming Correspondent

flecting the drought

The maize farmers' decision at their congress last week to limit production has plunged the tractor industry into a crisis

Ford and Massey Ferguson have reacted by concentrating on expensive super-large tractor models — trying to make up in turnover for what it is losing on tractor numbers

Ford tractor manager Mr Keith Berning said using maize fields for other crops would cut tractor sales by 20 per cent

Atlantis Diesel Engineers (ADE), who build diesel engines, expects a bleak year as well

Next season maize farmers may feel they are over-mechanised and may stay out of the tractor market for some years to come, he said

It missed out on the 1981 boom and will build about 5 400 tractors in 1984 — 3 600 will be standard four-cylinder models with natural air-supply

The annual tractor market is expected to stabilise at about 12 000, after peaking at about 25 000 in 1981

Managing director of Atlantis, Mr H H Beckurts, said he expected business to pick up slowly now that stocks of tractors with foreign-built engines had almost sold out

Mr Berning said tractor sales may be down about 8 000 this year, re-

Police in dramatic canal bed rescue

By NORMAN PATTERTON
Pretoria Bureau

POLICE divers saved a four-year-old boy from certain death on Tuesday when they rescued him from the bottom of a canal near Brits

Lieutenant Koos Marais and three colleagues were looking for a gun which had been used in a murder, when they saw a number of people running along the bank

They stopped their car and saw Manneljie Witbooi drifting along the canal bottom. Warrant-Officer Anton Potgieter stripped off his clothes and brought the boy to the surface

There was no sign of life but Lieut Marais administered first aid

He said yesterday "I first turned him on his stomach to get the water out of his lungs. Then I applied mouth to mouth resuscitation while Constable Connie Johnson massaged his heart"

Manneljie's heart started beating again minutes later, and he started breathing on his own. He was taken to Brits Hospital and was later transferred to the H F Verwoerd Hospital in Pretoria

Yesterday his condition was described as "satisfactory"

Unique strike ends after wage offer accepted

By STEVEN FRIEDMAN
Labour Correspondent

THE strike by about 1 000 workers at the Pretoria, Cape Town and Port Elizabeth plants of motor components company Autoplastics ended yesterday after workers voted to accept an 8c an hour pay offer by the company

The strike was believed to be the first in which workers employed by one company in various parts of the country downed tools at the same time in support of the same demands

The workers are members of Fosatu's National Automobile and Allied Workers Union (Naawu)

The strike also prompted the Sigma motor company to send home 2 000 workers at its Pretoria plant on Tuesday because, it said, the strike left it without the necessary materials

Production was lost again at Sigma yesterday, but a company spokesman said this was not because materials were unavailable but because of a "misunderstanding" in which "employees did not realise that production was due to resume"

He added that he expected

production to be back to normal today

The strike at the three Autoplastics plants followed national negotiations between the company and Naawu during which the union had asked for a 15c an hour increase. The present minimum at the company is R1.23 an hour

However, management responded by saying it could not grant increases because of the state of the economy and workers struck

After further negotiations, however, management offered the workers an 8c an hour increase, and the union decided it would recommend that workers accept

The increase is to come into effect next week

A Naawu spokesman said yesterday production had resumed at the company's Rosslyn plant, near Pretoria, during yesterday morning. It had resumed earlier in Cape Town and Port Elizabeth, he added

On Sigma, where Naawu is also recognised, he said the union was studying the situation before deciding whether to take the loss of production up with the company

Minister hits at US

NEW YORK — The French Foreign Trade Minister, Mrs Edith Cresson, leading a delegation of 250 French business leaders in New York, has accused the US of adopting a policy of "new protectionism"

Speaking at a meeting of the French-American Chamber of Commerce, she said "A tendency we encounter more and more often is the belief that what is good for the United States is good for the rest of the world"

She said this belief in Washington had recently marred relations over the issues of East-West dealings, US grain sales to Egypt at what she called "dumping prices", and other trade issues

Mrs Cresson linked her concept of "new protectionism" to high US interest rates and what she called an over-valued dollar

She said the US bore a dual responsibility, domestic and international, for its monetary policies and that she believed the Reagan administration had not been paying much attention to the worldwide impact of its decisions — Sapa-Reuter

Nicaragua hits out at US

NEW YORK — Nicaragua told an urgent United Nations Security Council session on Tuesday the United States was seeking to "blindly destroy" liberation movements in Central America and warned the policy could ignite a "conflagration" in the region

man

By J S MOJAPET
Pretoria Bureau

JUDGMENT in the trial of a Soweto man appeared in the charge of high treason given by Mr Justice D. Roux in the Pretoria Supreme Court today

Mr Vronda Zeblon, 25, of Orlando West, a confessed member of banned African National Congress, has pleaded guilty to high treason contravening the Terrorism and Internal Security Act

The State alleged Mr Zeblon joined the ANC in 1976 after he left the country. He allegedly received military training until 1981 in Angola, Zambia and East Germany and returned with a grenade and a pistol. The State further alleged Banda recruited three to join the ANC and undergo military training

Russian violinist 'killed himself'

MADRID — The mysterious death of a Russian violinist found hanged in his hotel bedroom in northern Spain last month was yesterday linked with the disappearance of a leading Soviet pianist, Alexander Toradze, who is now at a secret hideaway

Boris Korsakov, the leader of the Radio Moscow Symphony Orchestra, was found hanged in the bathroom of his hotel room in Gijon on August 27, while the orchestra was touring Spain

But the Madrid daily newspaper, El Pais, yesterday reported that Korsakov's death was connected with the disappearance of Toradze

Toradze, who went missing during the same tour is now under police guard after being allowed to stay in Spain

El Pais claimed that Korsakov had been in charge of the "security" of the musicians during the tour and preferred to take his life rather than answer for the absence of the pianist, who had disappeared two days earlier

Meanwhile, the Russian theatrical director Yuri Lyubimov, 65, who has been given a Special Branch armed guard in London against kidnap attempts, has rejected Soviet bids to get him home

The Russian embassy has twice tried to talk him out of defecting but he has responded by condemning the repression of artists

MEMBERS OF ALL RACES WELCOME AT

fontana inn
ON-THE-PARK
(THE FRIENDLY HOTEL)

Centrally situated — within walking distance of Hillbrow and City Centre

Excellent accommodation and cuisine

Meals served in our restaurant (Unlicensed) at reasonable prices

4 Channel radio in every room

24 Hour reception & telephone service

MATTER OF FACT

Jags may be built ^{1/92} in SA ^{Post} again ^{16/9/83}

Post Correspondent

JOHANNESBURG — A team of executives from the company that manufactures Jaguar cars in Britain is in South Africa on a feasibility study to determine whether to resume manufacturing Jaguars in the Republic.

The study is part of a plan to establish what potential there is for world-wide overseas manufacture of Jaguars and Daimlers since the increased sales of these luxury cars all over the world.

Leyland SA disclosed that the UK executives are in South Africa to discuss the potential local manufacture of Jaguars.

The manufacture was terminated by the local company because of the huge tooling and allied costs to produce the new generation Jaguars which are now sold as imported vehicles on the local market.

A statement said the team would visit several South African manufacturing plants.

Bike prices cut to clear stockpile

By EVELYN VOSLOO

IN a move it says will benefit the whole motor-cycle industry, Suzuki has slashed the prices of some models by a third — but its competitors believe the price cuts have been designed to move obsolete stock

One of the reasons given by Suzuki for the price cuts was that the motor-cycle industry in general had taken longer to bottom out of the depressionary period than had been anticipated

"As a result, stocks have accumulated because the formerly ready cash situation no longer exists," says a press release in which Suzuki announced the price cuts

Mr Mike Hermanson, managing director of a City Suzuki dealership, said last night that thousands of motor-cycles "of all kinds" had remained unsold

"The market has got to an all-time low in the past four years," he said "We believe there are buyers out there, and by reducing our prices so drastically, hope to reduce stocks"

The planned price cuts are

● GSX 400 From R2 940 to R1 960

● GSX Katana 550 From R3 390 to R2 240

● GSX Katana 750 From R4 500 to R2 990

● GS 1000 From R4 699 to R3 134

● GSX 1100 From 5 660 to R3 773

Mr Pat Goodall, sales director of Honda Centre, said last night that Suzuki was cutting prices on "obsolete stock";

"We will not follow suit as we have no obsolete stock," he said

He said the move was not fair to people who had bought a motor-cycle from the Katana range before the price cuts, as they now found themselves with drastically-reduced resale values

Mr Charlie Young, managing director of Yamaha and chairman of the Motor-cycle Importers' and Dealers' Association (MCIDA), said Yamaha was not in a position of having to cut prices

"We are not overstocked with models which have been superseded by new models," he said. "As far as the motor-cycle industry is concerned, it's quite difficult for dealers to cut prices by that amount when they work on a 17 percent profit margin - I don't really see how they can survive"

Now — BMW's Three Series

By David Carr

192
AFTER spending R50-million tooling up, BMW South Africa this week took the veils off its Three Series — its big hope for the mid-Eighties.

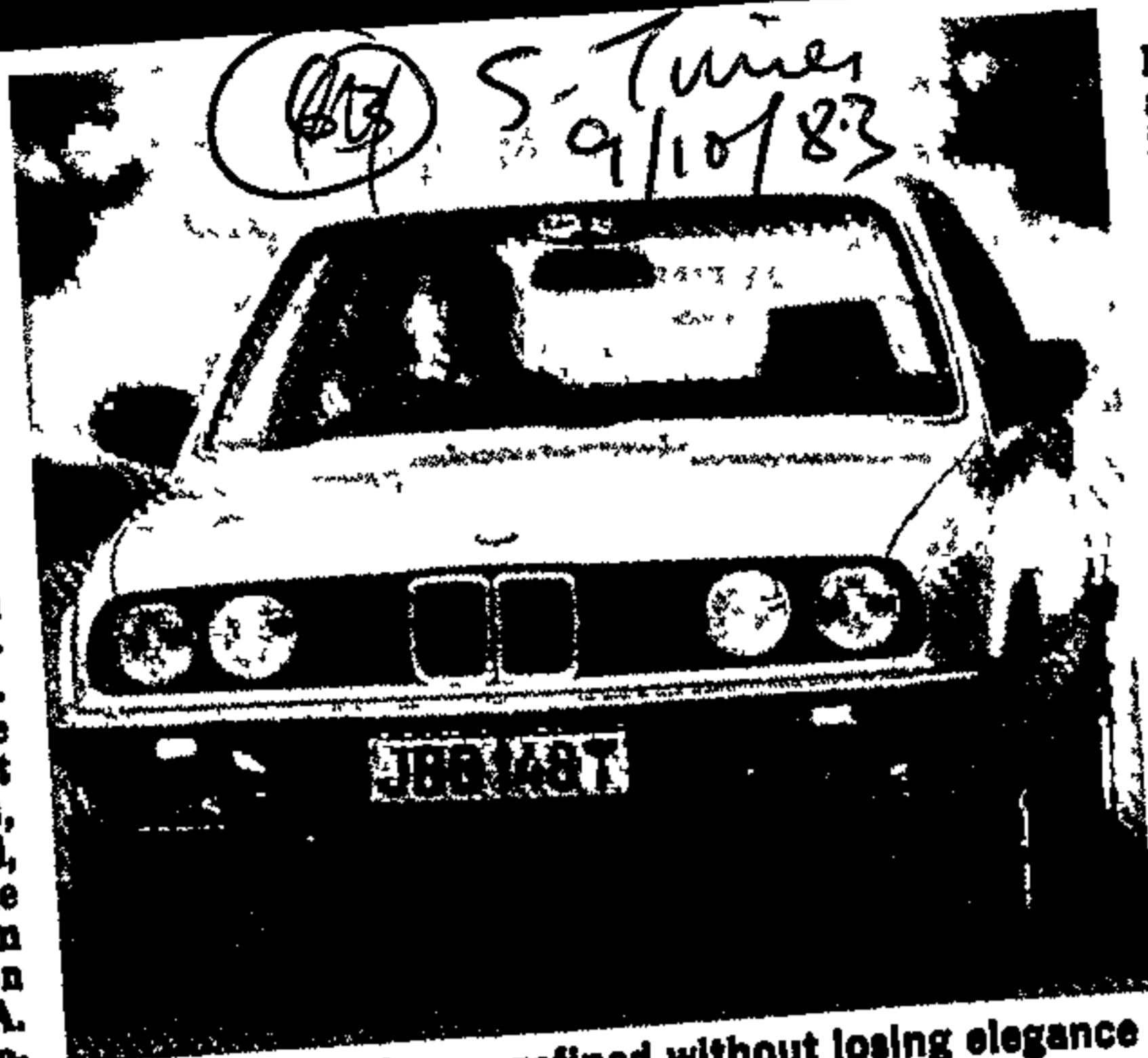
According to managing director Dr Eberhard von Koerber, the R50-million spent on bringing the new series to production is the biggest investment in a new model of any car in South Africa, and "BMW's most important launch for 10 years".

Dr von Koerber said the three series of compact luxury performance cars, comprising the BMW 318i, 320i and 323i models, is the culmination of a long-term strategy embarked upon when BMW was set up in SA.

"At that stage the production capacity of our Rosslyn plant was extremely limited. We embarked therefore on a strategy of competing in the very top sectors of the car market only, concentrating on relatively low-volume models. The object was to maximise profits to complete the expansion and tooling requirements of subsequent years."

Initially, the Five series was used to carve out a niche in the upper market. Then the Seven series was launched in 1978 in the highest end of the market.

Success in these quarters



BMW Three Series — refined without losing elegance

enabled a R100-million investment in the much expanded and modernised factory that makes the Three series.

The Three series, which offers uncommon performance, braking and roadholding together with luxury in a smaller package, will be a higher-volume car. It will still be in the upper bracket, with the cheaper models costing more than R12 000.

Since its launch in 1975 the Three series has sold 1,5-million units and accounted for

two-thirds of BMW's international production.

It has helped the company achieve 7,5% average annual volume growth during the past 10 years, making it, according to Dr von Koerber, the fastest-growing car manufacturer in the world.

BMW also claims to have outgrown any car manufacturer in South Africa.

In the first six months of its existence, more than 100 000 of the new upgraded model being built in SA were sold worldwide.

"The new Three series has helped BMW push up its overall sales in Germany by 23% in the first half of this year — 210 000 BMWs were produced in the first half of this year, 5% up on the first half of 1982."

The 2,3-litre 323i and 2-litre 320i have six-cylinder engines, while the 1,8-litre 318i has a four-cylinder power unit. All three boast fuel injection and disc brakes, all round. They are available in manual or automatic.

The SA Three series has 556 local design variances from the German one because of different driving conditions. The fuel tank, the exhaust manifold, the rear stabiliser, shock absorbers and springs are some major components that differ.

BMW has opted for front-wheel drive and is proud to have kept the traditional BMW look "without losing elegance to the demands of excessive aerodynamic appearance".

Passive safety features include a passenger compartment designed to withstand a 50km/h head-on collision without distorting and a long dynamic deformation path of the front end that ensures lower vehicle deceleration after impact. A divided steering shaft limits displacement of the steering shaft in an accident.

Alfa SA's aim: 100% locally owned

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 Volkskas. 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.

1992



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

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-

locally owned

ques, 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.

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1300 on strike

AT LEAST 1300 workers went out on strike yesterday as labour disputes continue to rock industries countrywide.

More than 900 workers employed by Union Carriage and Wagons in Nigel yesterday downed tools in support of several of their colleagues who have been retrenched by management

The workers, all members of the Fosatu-affiliated Metal and Allied Workers' Union (Mawu), claim that their union was not informed about the retrenchments which management alleges were necessitated by the recession

The company's public relations officer confirmed the strike, but declined to comment on

the issues involved

About 300 workers at Pool Industries in Rosslyn went on strike yesterday morning over pay demands

The employees, all members of the National General Workers' Union, also demanded that the company stop deducting R3 per week from their wages which goes towards their pension fund, Mr Donsie Khumalo, secretary of the union, said yesterday He said the workers who went on strike at 7 30 am a few minutes after reporting for work, also demanded that the company cease deducting about 40 cents from the respective salaries for the washing of their overalls every week

A source close to the

workers said the strike was sparked off by the company's general increase last Friday "which had a lot of disparity" and varied between 2 cents and 22 cents per hour

"The increases were very unfair and all the workers felt there should be a uniform increment for all employees," the source said

A spokesman for the company, a Mr Pool, yesterday declined to comment on the strike and promised to release a press statement soon

At Checkers Stores in Primrose, about 50 black and white workers went on strike after a white member of staff was dismissed without the workers' knowledge

A company spokesman said that the worker had been transferred to another plant The whole thing was a misunderstanding and the matter would be resolved soon

At Grand Bazaar in Rosettenville, 54 workers stopped work after management retrenched workers and engaged others

About 70 workers at Discount Game yesterday entered their ninth day of a strike over wages Management has said that the workers have been dismissed

The 90 workers at Liberty Life Insurance who are demanding the recognition of their union, the Insurance and Assurance Workers' Union, were still on strike yesterday

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(19) (192) (193) *NSM* 12/10/83
300 workers down tools over pay rise

Labour Correspondent

ABOUT 300 workers at Pretoria motor components firm Poole Industries downed tools yesterday in protest at wage and other grievances, the general secretary of the National General Workers Union, Mr Donsie Kumalo, said yesterday.

The stoppage is seen as an important test for the recently-formed NGWU as Poole Industries is its biggest factory. The union has been engaged in a recognition dispute with the company for some time.

Poole Industries has decided not to comment to the Press on its dispute with

NGWU

Mr Kumalo said workers struck yesterday morning in reaction to wage increases they received on Friday. He said there had been sharp disparities between the rises different workers had received and the workforce had reacted against this.

He added that workers

were also demanding that the company stop deducting money from their pay packets for the pension fund run by the motor industry's industrial council.

Poole has refused to recognise NGWU because it is not registered and does not belong to the motor industry's industrial council.

Moves to end firm's two-day wage stoppage

By STEVEN FRIEDMAN
Labour Correspondent

MANAGEMENT at Pretoria motor components firm Poole Industries was due to meet worker and union representatives late yesterday in an attempt to settle the two-day wage strike by 300 workers at the plant.

It is understood the meeting was to be attended by elected worker representatives as well as by officials of the National General Workers' Union, which is demanding recognition at the plant.

A company spokesman, Mr Peter Poole, said yesterday none of the company's black workers had returned to work yesterday morning.

Meanwhile, Sapa reports that about 200 workers at another Pretoria firm, York Timbers, had been fired after a three-day strike over wage demands.

The workers ignored a call by the company's management to return to work yesterday or be fired.

Mr Zolile Mtshekwane, the Pretoria branch organiser of the SA Allied Workers' Union, said workers downed tools last Friday when they did not receive wage increments. They

asked SAAWU to negotiate on their behalf, he said.

At Poole Industries' Rosslyn plant, workers are striking in protest against differential wage increases granted to them last Friday, according to the NGWU general secretary, Mr Donsie Kumalo.

He said workers had raised other grievances, but the company says it is not aware of these.

Poole is the biggest factory in which the NGWU is active and the union is pressing for recognition at the plant. Poole initially refused to recognise the union because it is unregistered and is not a member of the motor industry industrial council.

But Mr Poole said yesterday the company was now negotiating on recognition with the NGWU and had submitted a statement of intent to the union on future relations between the two sides. It was still awaiting a reply, he added.

He said yesterday's meeting was to be attended by workers elected to negotiate with management on the strike and added that the company understood that worker representatives would bring the NGWU officials with them to the talks.

The company had no objection to union officials being present, he said.

(192) (179)
RDM 14/10/83

Motor parts firm fires entire black workforce

By STEVEN FRIEDMAN
PRETORIA motor components firm Poole Industries yesterday announced that it had fired its 300-strong workforce, which had been striking for the past three days in support of wage and other demands

It added that fired strikers had until the end of October to re-apply for their jobs, but none had yet done so. The company charges that the strike was "illegal" and that workers were demanding increases of R4 an hour.

The general secretary of the National General Workers Union, Mr Donsie Kumalo, reacted angrily to the company's decision and said the union was considering an application to the Industrial Court to overturn the sackings.

He said the dismissals fol-

lowed a meeting on Wednesday afternoon at which the company refused to negotiate on worker demands with the union and revealed that it planned to fire the strikers

The strikers stopped work on Monday in reaction to a wage increase granted last Friday. Workers objected to the fact that they were given different increases and demanded that all receive the same rise.

Mr Kumalo said they were also demanding that the company stop deducting money from their pay on behalf of the motor industry's pension fund and objected to a company decision to have their overalls cleaned by an outside firm and to deduct money to pay for this from their pay.

In a statement, Poole's

managing director, Mr N F Lubie, said the company could not agree to workers' wage demands

He said the strike was "illegal" and strikers had breached their work contracts

He said the pension issue had been referred to the Motor Industrial Council. Although no black workers had reported for work, production was continuing

● A statement by the Pretoria firm York Timbers, which was reported to have fired nearly 200 workers who struck over a wage dispute, said yesterday that only 43 had been fired

It said 182 workers had struck, but that all but 43 had returned to work. These workers were expected to seek re-employment "over the next few days"

500 workers get the sack

Labour Reporter

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14/10/83
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The entire black workforce of a Pretoria firm has been dismissed after a work stoppage over a pay dispute, bringing to 500 the number of striking workers fired this week

At Poole Industries (Pty) Ltd in Rosslyn yesterday, management fired 300 workers who went on strike on Tuesday over uniform wage increments.

Their dismissal came a few hours after York Timbers Ltd had fired 200 workers who were also on strike over a pay rise

In a statement, the management at Poole said it could not comply with the workers' wage demands

Increments granted last Friday had been reviewed and no further adjustments could be justified on economic grounds, the statement said

Those seeking re-employment by the end of October would be interviewed and offered jobs where possible, without losing any benefits

The decision to fire the 300 workers was conveyed to representatives of the National General Workers' Union, which is currently negotiating for a recognition agreement with the motor industries firm.

THREE hundred striking workers at a Pretoria factory have been fired after a wage dispute with management

Donsi Khumalo, National General Workers Union secretary, said management at Poole Industries Ltd told workers they had lost their jobs

The workers would be allowed to re-apply for their jobs.

The workers, dissatisfied with pay increases and pension deductions, went on strike on Tuesday.

300 STRIKING WORKERS FIRED

Mr Khumalo said the workers were not prepared to go back to work until their grievances had been resolved

Their dismissal comes soon after another Pretoria

firm, York Timbers fired 200 workers also striking since Friday.

The workers continued to strike despite a management warning that they would be fired

Deacon Mathe, organiser for the South African Allied Workers' Union, said the company's employees would not return until they received a wage increase

city Press
16/10/83

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Five construction lifts trading results

The figures are difficult to fully analyse because the group is undergoing another change to year-end. The first change took place last year when the year-end was changed to August, the end of the construction year.

Solid performance

When Darling and Hodgson bought a 51 percent stake in January, the decision was made to realign the year-end yet again, this time to December in line with its parent.

Between the annualizations, however, Group Five appears to have

done fairly well due to the solid performance of the construction division — which contributes roughly 90 percent to operating income — which offset the depressed results from the industrial companies.

Turnover, which has been published for the first time, rose from R212m (annualized R318m) to R332m, while operating income, reflecting tightening margins was R9,5m (annualized R14,2m) against R12,7m for the 12-month period.

Group Five also benefited from a low taxation charge of R1,9m (a tax rate of 14,6 percent) with the use of tax allowances and previous tax losses.

The group said the construction division enjoyed a solid 12 months, particularly with new work being obtained for completion in 1984. The order book is considered "favourable under prevailing economic conditions".

Extraordinary loss

An extraordinary loss of R2,4m was recorded, however, because of costs incurred after a severe cutback in Reynolds Plant Hire.

Reynolds, which was relocated under the construction division, is suffering from highly unprofitable plant hire rates and reduced activity in the plant hire industry.

Group Five Projects increased turnover satisfactorily, although the company does not say by how much. The subsidiary, however, is now obtaining new work at more competitive rates.

Rand steady against \$

JOHANNESBURG — The rand was barely changed at \$0,8937/42 at the close against Monday's \$0,8933/40 close, after opening substantially higher at \$0,8955/62.

The rand touched a high of about \$0,8962/67 at one stage, but a probable systematic drain of dollars from the system by the Reserve Bank stemmed the advance, and pushed the local unit back to Monday's closing levels.

Third currency trading was quiet and features

Against other currencies the rand closed at

Leyland buys Elsie's River factory

CARE TIMES
19/10/83

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By ALEX PETERSEN
Deputy Financial Editor

LEYLAND South Africa have purchased the Elsie's River assembly factory that it has leased since 1973 from the McCarthy Group. Although Leyland have not disclosed the purchase price, market sources price the site and factory at over R17 million.

Yesterday neither Leyland's managing director, Mr D R Beck, nor the group's public affairs officer were available for comment on the deal.

Expansion

Recently Leyland completed and expansion and modernization programme at the plant which included the construction of a sophisticated paint shop and the installation of new assembly equipment. The move was to enable the company to concentrate all its major vehicle assembly activities in one factory.

The Elsie's River plant, which has 37 000 m² under cover, is on a site of nearly 100 000 m², which would allow considerable expansion in the future.

Leyland manufacture Landrovers and the

range of Leyland trucks at the plant, as well as the Renault 9 models under contract with Renault Africa.

Last month the group announced that it would stop local production of the Mini and Rover passenger cars, which are produced at the nearby Blackheath plant, at the end of the year, and the final Minis are scheduled to come off the production line this week.

At the time of the announcement Mr Beck said that there would be "some reduction" in vehicle-assembly at the Elsie's River plant. There are at present 1 200 people employed at the plant, but Mr Beck warned last month that some redundancies would be inevitable.

Renault production

The purchase of the factory however would indicate that Leyland are intent on maintaining a longer term manufacturing presence in the South African market.

In spite of discontinuing the Mini and Rover, Renault production is continuing strongly, with the cars coming off the assembly line at the rate of more than 1 000 a month.

Gundle sells subsidiaries

Own Correspondent

JOHANNESBURG — Gundle Industries subsidiaries Gundle Cupboard Systems, Republic Kitchen and Mr Cupboard have been sold to B & S Steel Furniture Co for R12,3m.

The acquisitions formed the basis for B & S's suspension request on Monday.

The price will be met by the issue and allotment of 3,602m new B & S shares to Gundle.

B & S was suspended on the Johannesburg Stock Exchange on Monday, and is expected to be relisted this morning.

The date of the meeting has not yet been decided, but will be contained in the document disclosing full details of the acquisitions in due course.

Gundle offer

Because of the proximity of the acquisitions to the closure of the Gundle offer to B & S minorities — the offer formally closed last Friday — it has been agreed that the offer will now remain open until two days after the special meeting of shareholders to ratify the acquisitions from Gundle.

The offer price remains 341c a share, and Gundle is believed to have lifted its stake in B & S to at least 70 percent by Friday. Those B & S shareholders who have already accepted the Gundle offer will receive their cheques next week.

The effect of the acquisitions on B & S will be

19/10/83

knocks old mines

Development values for gold were 22 cm g/t (1 398 cm g/t)

ET Cons. Grade rose strongly to 4 g/t (9,2 g/t) With total revenue rising to R11,483m (R9,757m) and costs to R5,494m (R4,802m), working profit to R5,989m (R4,955m)

Prospecting expenditure was cut a third to R928 000 (R1,367m) Tax totalled R77 000, but in the June quarter there was a tax credit of R324m because of provisional tax paid in the first half of the financial year — based on the profits at the time and lower capital spending.

Increase in tax

Because of this increase in tax, the after-tax figure decreased to R5,069m (R4,887m)

Capital spending totalled R4,049m (R3,476m) with outstanding commitments being R5,332m (R3,715m)

Development values averaged 282 cm g/t (1 162 cm g/t)

Lorraine Mill throughput was 11 000 tons lower at 389 000 tons — partly because of the shorter working quarter — but the grade rose to 5,7 g/t (4,4 g/t) and this led to higher gold production at 2 227 kg (2 178 kg)

In spite of the lower tonnage, unit costs were well contained at R75,73 (R74,18) a ton

Combined with increased revenue, this led to a 57 percent improvement in unit working profit of R11,64 (R7,11) a ton, giving a total working profit of R4,526m (R2,964m)

Insurance claims

Non-mining income was lower at R19 000 (R719 000) The June figure was boosted by the receipt of two insurance claims

Outstanding capital commitments at September 30, were estimated at R4,8m (R7,344m)

Development values were down a total of 1 282m (1 655m) was sampled on all reefs. The average value was 7,7 g/t (12,2 g/t), which over a width of 68 cm (64 cm) was equal to 528 cm g/t (778 cm g/t)

Village Main Reef Sands treated

Court action in offing

Union takes on 3 more employers

By Carolyn Dempster,
Labour Reporter

The United African Motor Workers Union has challenged three separate employers with industrial court action over unfair labour practices

After its recent success in the industrial court case against Fodens, the union has instituted proceedings against Auto Industrial Pty Ltd, Rand Rubber Products, Johannesburg, and Mini Bus in Rosslyn, Pretoria

At Auto Industrial, eight union shop stewards were dismissed by management on October 7. UAMWU general secretary Mrs Dora Nowatha said management's reason for the dismissals was "internal re-organisation"

Mrs Nowatha said she was told by one of the dismissed men the company had replaced the fired workers within five days

Management has not replied to a union letter requesting talks on the issue. Now the union plans to fight the dismissals in court on the basis of an unfair labour practice

A company spokesman

would not comment on the dismissals or the allegation that additional workers had been taken on

A refusal by Rand Rubber to recognise the union as representative of the workforce has also led to a threat of industrial action

Mrs Nowatha said although more than 50 of the 92 workers there were union members, all representations to management for recognition had been thwarted

"The managing director has said he doesn't have time for trade unions and he will never recognise a trade union in his company. He is not even prepared to look at our constitution," she said

Rand Rubber's managing director Mr A Cosani was not available to comment

At Mini Bus, the union is claiming an unfair labour practice after workers were not paid for two days after a work stoppage. The workers claim they were told to leave the premises by management after they stopped work to query wage increases, but that is disputed by the company

MOTORING MONTHLY

Leyland reorganisation in SA

LEYLAND'S recent announcement that it was pulling out of the local manufacture of cars was a preface to a complete reorganisation of the whole South African com-

pany structure.

Sources in Leyland told Motoring Monthly that the company here is going to be pulled closer into line with its parent BL (formerly British Leyland) in England

Motoring Monthly Edition 25/10/83

Two exclusive new divisions will be formed a Jaguar Division and a Land Rover Division (This echoes the formation of Jaguar Car

Holdings and Land Rover UK in Britain)

The Land Rover side will come under Mr C Passage And the Jaguar Division is

to be headed up by Mr Arne Pitlo, the 40-year-old former journalist who is currently Director of Communications and Public Affairs and who has just been promoted to Sales and Marketing Direc-

tor He will now hold both portfolios

This information has not been confirmed by Leyland, but a memorandum on the reorganisation from managing director Mr David Beck was issued on October 18 and has been circulated (and posted on notice boards) throughout the company.

It states that the new organisational structure will be officially announced some time next month

Step one of that reorganisation came with the announcement that Leyland was ceasing local production of Rover and Mini, but that it would be introducing a range of performance, luxury and prestige cars from among its overseas models (while continuing to import super-luxury status vehicles)

Motoring Monthly has discovered that the vehicles destined for South Africa include the MG Metro and Metro Turbo, the MG Maestro, the Rover van den Plas, the Rover Vitesse (fuel-injected), the Daimler V12 and the Jaguar XJS V12 It should also include the new four-door five-speed Range Rover

Leyland will also launch the new locally-assembled Land Rover 110 model in the first quarter of next year Sources say it should be available in pick-up and station wagon versions, with V8 engine and with the chassis, suspension and powertrain of the Range Rover

MM phoned around some Leyland dealers to confirm this information, and also to ask the questions that have been bothering quite a few Leyland-car owners since the announcement of cessation of local manufacture questions about servicing abilities in the future, availability of spares and — more importantly — the cost of replacement

All the dealers were adamant that the new moves will not affect current car owners Servicing facilities will continue along the same lines, and availability of spares will not be a problem, they said

Their response to the question of new model prices, however, was fascinating They said the range would start at about R11 000 for the



MR ARNE PITLO
Marketing Director

MG Metro and move to around R70 000 for the XJS — which makes it highly competitive

Said one "It is not Leyland's intention to compete with local manufacturers. That would not be possible, because the volumes Leyland is looking at — bearing in mind 100%-plus import duty — are simply too low

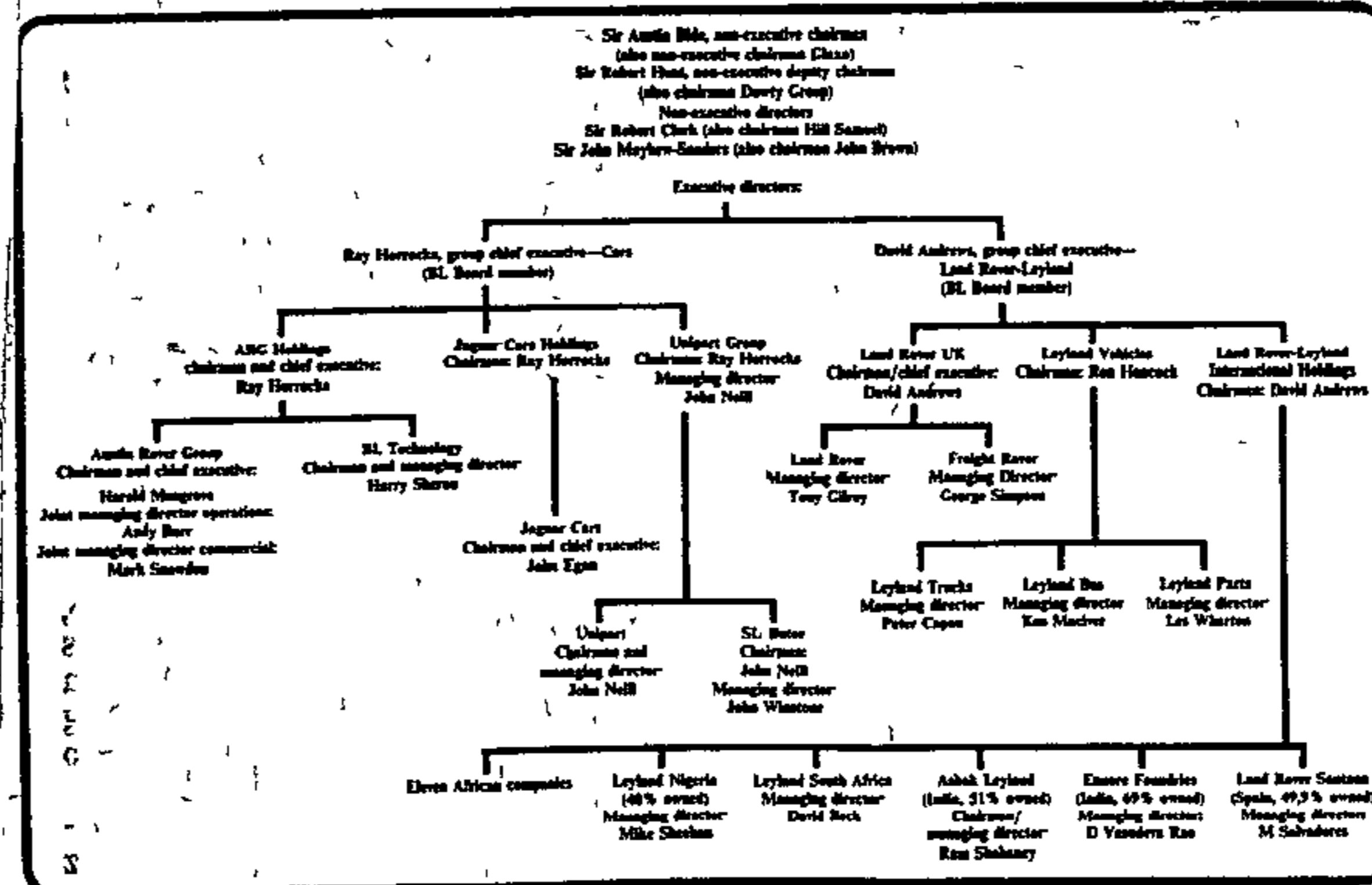
"But what it is aiming at is filling what it sees as a gap in the market providing types of cars that are not currently available here

"And yes, the prices are certainly competitive

"Leyland has been doing very well in this country recently Sales of Jaguar, which have enjoyed a resurgence all over the world in the past year, have gone up by 53% in South Africa "So we are all convinced, with that sort of attitude in the marketplace, that we just can't go wrong with the new cars"

It is against this background that the envisaged divisions will be concentrating on upping market share of both Jaguar and Land Rover/Range Rover

RAND DAILY MAIL, Tuesday, October 25, 1983



Organisational chart of BL, showing the company hierarchy and the position of Leyland South Africa. Note Jaguar Car Holdings and Land Rover-Leyland: the new local set-up will follow a similar split.



The MG Metro Turbo — on its way to South Africa very soon

A flat spot in union's talks with Dunlop

By STEVEN FRIEDMAN
Labour Correspondent

A MAJOR confrontation looms between the Metal and Allied Workers Union and Dunlop SA.

The union announced yesterday it is to hold a legal strike ballot at Dunlop's Durban tyre plant on Thursday

MAWU has also declared a dispute with Dunlop at its Ladysmith plant.

And a MAWU statement yesterday also hinted at action by the National Automobile and Allied Workers Union (NAAWU) — which operates in car assembly plants — in sympathy with Dunlop workers

If MAWU members strike in Durban, it would be the second legal strike by black workers this year and the third in recent labour history.

However, the company yesterday implied that a strike at the plant would not be legal and would not protect workers

It denied MAWU charges that it was unwilling to negotiate and repeated earlier statements that it was prepared to continue talks

The union recently declared a dispute at the tyre plant over wages and other issues

MAWU sources said yesterday that, if the Minister of Manpower did not appoint a conciliation board to settle the dispute by Monday, the union would be entitled to strike legally

The wrangle at the Ladysmith plant centres on union allegations that Dunlop refused to sign recognition agreements after both sides had reached agreement

In a statement yesterday, MAWU said it would hold a strike ballot on Thursday "to ascertain members' views on taking legal industrial action".

The union alleged that "all efforts on the part of the union to resolve the dispute over wages, shift allowances and bonus schemes have been rejected by the company"

It said Dunlop had refused to put a final offer on the negotiating table and had also refused to have the dispute settled by mediation

"This is the first time a company has ever refused an offer of mediation by MAWU and has been interpreted as a clear indication that the company intends to provoke industrial action at the plant," the statement said

MAWU also said it had had "very constructive discussions" with NAAWU on the situation at Dunlop and added that they would call on the sister union's assistance "if need be"

A Dunlop statement yesterday denied the charges and said MAWU's statement "seems to confirm that MAWU is not interested in a negotiated settlement, but merely wishes to provoke strike action at the earliest opportunity"

520 stage one-hour strike at PE factory

8/11/83
By CLARE PICKARD-CAMBRIDGE
ABOUT 520 workers stopped work for an hour at the Shatterprufe Safety Glass factory in Port Elizabeth's Neave Township today

The action followed a report-back meeting by their union representatives, who are currently involved in negotiations with management.

The workers are members of the registered Chemical Workers Industrial Union, an affiliate of the Federation of South African Trade Unions (Fosatu)

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The personnel director at Shatterprufe, Mr Neville Schonegevel, said the work stoppage started at 7am when most employees arrived. Work began at about 8am and negotiations with the union were to continue this afternoon.

The company had been involved with substantive negotiations, ranging from wages to conditions of employment, with the Chemical Workers Industrial Union since last Friday.

"Negotiations have been constructive and we feel progress has been made," he said.

"When we left negotia-

E. Post
tions on Friday we had another session scheduled for this afternoon."

He said it appeared the union had held a feedback session with workers last night and workers had been unhappy with some aspect of the negotiations.

Mr Wesley Phillips, branch secretary of the union, confirmed the work stoppage. He said his union represented about 400 members — 80% of the work force at Shatterprufe — but all the workers had gone on strike.

Issues disputed had concerned wage and bonus increases.

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S. Post

Two unions in dispute with stores

9/11/83

Post Reporter

THE 9 000-member National Union of Distributive and Allied Workers (Nudaw) today joined the Commercial, Catering and Allied Workers' Union of SA (Ccawusa) in declaring a formal dispute with the giant OK Bazaars chain over wages

The breakdown in wage talks is expected to affect about 20 000 workers countrywide

Speaking from Cape Town, Miss Dulcie Hartwell, secretary of Nudaw, said she had just informed the personnel director of OK Bazaars South Africa, Mr Richard Blackwell, that the union was declaring a dispute and had applied for a conciliation board to settle the matter

She said the conciliation board would consist of union and management representatives and a legal strike would not necessarily be declared if an agreement was not reached.

Union members would still have to be balloted before such a decision was made

She said Nudaw, whose membership consisted of white and coloured shop workers, would be working closely with Ccawusa, which represented only black workers

Nudaw, a registered and unaffiliated union, would ask the Minister of Manpower, Mr Fanie Botha, to handle the two conciliation board applications jointly, she said

Mrs Emma Mashinin, secretary of Ccawusa, confirmed the joint request

● Urgent talks between the Shatterprufe Glass Company and the Chemical Workers Industrial Union continued in Port Elizabeth today following a one-hour work stoppage yesterday by the entire work force.

Management and union representatives were engaged in talks all morning and could not be contacted for comment.

Union supports minimum wage

5 Feb 1971/12

The National Automobile and Allied Workers Union (NAAWU) has come out in support of a minimum wage of R2 an hour for workers in the motor components industry.

In a statement released in Pretoria yesterday, Naawu said it was aware of the wage negotiations taking place with the National Industrial Council for the Motor Industry

"Naawu is not a member of this council and accordingly will not be present at the forthcoming meeting of the council set for November 11

"However, Naawu members who are covered by the council's agreement have met and agreed to support the amount placed by party unions of a minimum wage of R2 an hour," the statements said

While this will not be a substitute for Naawu's national in-plant demand of a minimum wage of R3,50 an hour, the union believes that an increase to R2 an hour will begin to put things right in an industry where minimum wages and working conditions are unacceptably low

"Naawu has been in contact with one of the party unions, the Motor Industry Combined Workers Union (MICWU), and made this decision known to them

"Naawu will also contact those companies where Micwu is active so that pressure can be built in support of this demand

"Naawu will be following the negotiations closely and further general meetings have been arranged," the statement said

Surprise

20/11/83
terms

in pay

talks

By STEVEN FRIEDMAN
Labour Correspondent

IN A surprise move, unions on the industrial council for the motor components and repair industry have demanded a minimum wage of R2 an hour — almost double the present minimum in the council's agreement.

And yesterday, in a unique move, Fosatu's National Automobile and Allied Workers Union issued a statement supporting the stance of the three unions on the council, one of which is a key Tucsa union. NAAWU said it would seek to "pressure" companies to accept the demand.

Although NAAWU's own minimum wage demand in negotiations is R3,50 an hour, R2 an hour is regarded by many Fosatu unions as a "minimum living wage" and it is seen as significant that unions on the motor council have adopted it.

NAAWU has also held talks with the union which initiated the demand, Tucsa's Motor Industry Combined Workers Union, on the R2 demand.

Contact of this sort between Tucsa and Fosatu unions is rare and the co-operation between the two unions on this issue is likely to strengthen the union's position in the present negotiations.

It is understood that, although the minimum in the council's agreement is R1,06 an hour, the minimum paid by most firms is much greater, and unionists argue that the R2 demand would not mean a major increase in wage bills.

According to union sources, the average minimum is R1,50-R1,70 an hour, although management sources say it is lower than that in most areas.

Negotiations are continuing this week and may be completed on Friday.

In its statement yesterday, NAAWU said that, although it was not a member of the motor council, it was aware of the current negotiations.

FM 11/11/82

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in the sample was that if dismissals resulted from the strike, it was employees who suffered — not management.

Other reasons in favour of not striking were that consultation works better than confrontation (endorsed by 12% of the workers), that strikes do more harm than good (12%), fear of danger, violence and injuries (11%), and unwillingness to become involved (10%)

Major reason

It is a telling reflection on managements that the major reason why workers indicated they were in favour of striking was that management would not listen to them

Only 23% of the workers thought they could improve their salaries by striking, while 22% indicated that they thought the black community had the right to strike. The last factor, according to Terblanche, indicates an underlying political motive

**TRADE UNIONS
Common ground**

In what could be a significant move, the National Automobile and Allied Workers' Union (Naawu) has pledged its support for the wage demand made by unions which are members of the National Industrial Council for the Motor Industry

These unions have demanded a minimum wage of R2/hour — a hefty increase on the present minimum rate. Naawu, an affiliate of the Federation of SA Trade Unions (Fosatu), is not a member of the council. The main reason for this is that in the past the union has not been a strong presence in the motor components industry over which the council has jurisdiction. However, Naawu is rapidly becoming a force in this industry and is taking a lively interest in wage negotiations this year

It has agreed to support the party unions, but is emphasising that this does not mean that it has abandoned its demand for a R3,50/hour in-plant minimum wage

"Naawu does believe that R2 an hour will begin to put things right in an industry where minimum wages and conditions are unacceptably low," says the union

Naawu has conveyed its stand to one of the party unions — the Motor Industry Combined Workers' Union (Micwu), an affiliate of the Trade Union Council of SA (Tucsa). This is interesting, for at a time when relations between Tucsa and emerging unions continue to sour, Naawu has made the point that there are issues on which it has common ground with a Tucsa union

A Naawu spokesman says the union is aware of the stand Micwu took against the new constitution at Tucsa's annual conference in September

current feature

rule

Ciskei, the homeland's rulers had at their disposal wide emergency powers. These were conferred upon them by the SA State President who has the authority to issue proclamations regulating the administration of blacks in black areas

The notorious Proclamation R252 of 1977 was the key piece of security legislation. This has now been replaced by Ciskei's National Security Act of 1982. Haysom says it "contains most of the much criticised features of the SA security legislation and a good few more besides"

According to this year's Hansard, Ciskei has a *de facto* population of 669 000. Figures supplied by the SA Institute of Race

Relations reveal that in 1981, 38 400 Ciskeians were classified as commuters, who cross the homeland's borders each day to work in SA. A further 60 000 were classified as migrant workers

The FM could not obtain accurate information of where the migrants obtained employment. The Western Cape is a logical place to seek work, but it is largely barred to them because of the coloured preference labour policy. Despite this, many have attempted to obtain work. Some have succeeded, but influx control laws have forced others to return to poverty in the Ciskei

For those stuck in the homeland, prospects of obtaining employment have been

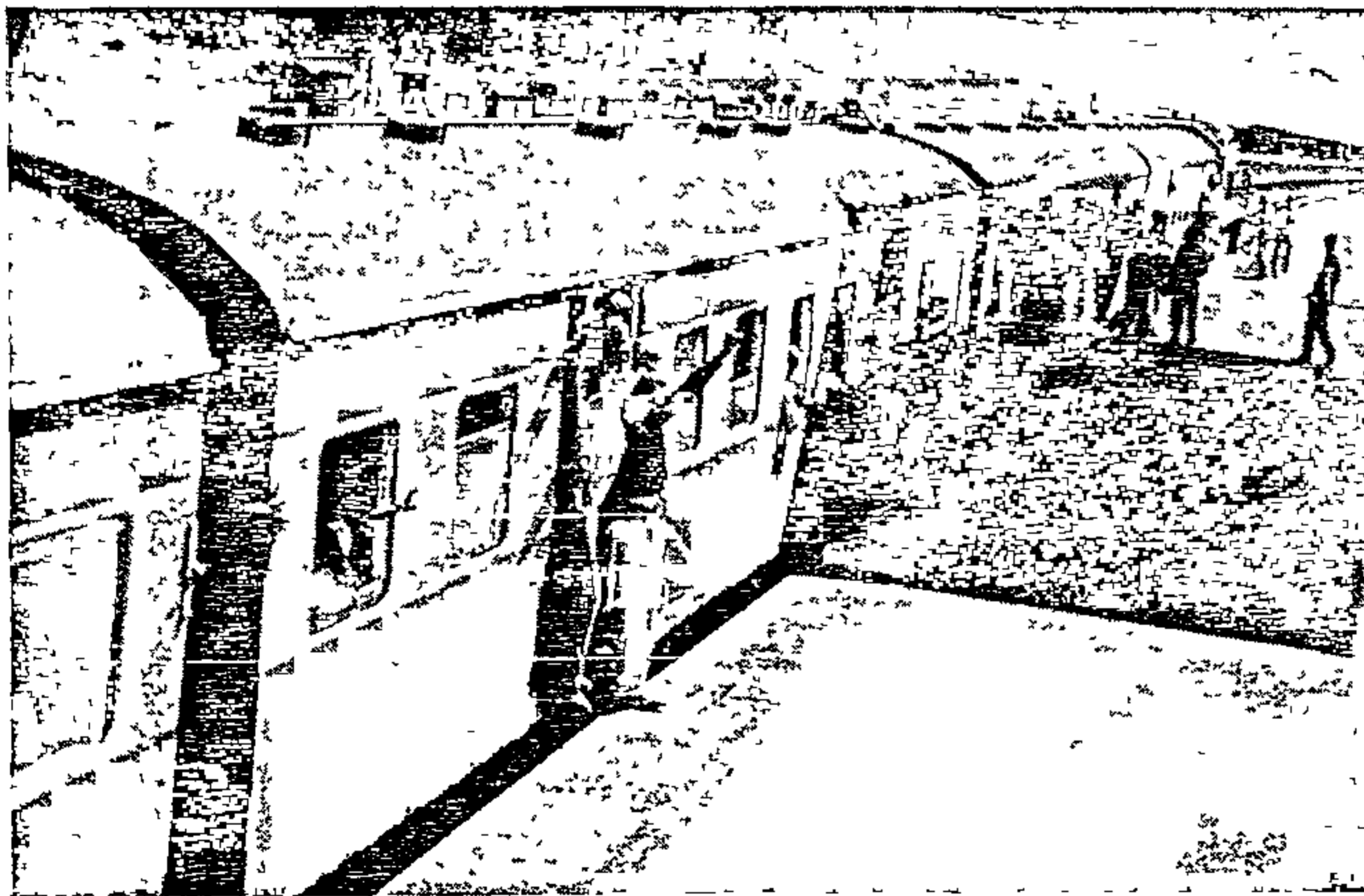
bleak. An article published in the SA Labour Bulletin in February last year suggested that unemployment in Ciskei was in the region of 35%. Admittedly, the SA government's latest decentralisation policy has created more jobs

The Ciskei Peoples Development Bank (CPDB) recently reported that industrialisation in Ciskei has more than doubled in the two years since the homeland opted for "independence". The CPDB says it has played a role in channelling more than R200m in investments in all sectors, creating about 20 000 jobs. In addition, nine new projects involving more than R15m and 2 000 jobs have been approved.

That new jobs are being created is a relief for all. But it's still not enough. It must be borne in mind that Ciskei is the number one priority area for decentralisation and offers investors the most attractive incentives available in the decentralisation package. And ultimately it is SA that foots the bill for the policy

SA has also pumped R347,6m into Ciskei to keep the homeland going since independence. Ciskei also profits from its Customs Union agreement with SA. In addition, there are at present 378 SA civil servants seconded to Ciskei

It would be difficult to imagine that there would even be a semblance of order in Ciskei without this very substantial aid from SA. These factors, more than any others, give lie to the myth that Ciskei is an independent country. The fact that Ciskei has used some of this aid to increase its state security budget from R5m in 1981-1982, to R17m in 1982-1983 and an estimated R31m for 1983-1984, is an obvious cause for concern.



Mdantsane residents ... catching trains is a form of resistance to Sebe

Dorbyl gearing up for boom due in '84-'85

192 E. Post
12/11/83

AT least one major Port Elizabeth component supplier to the automotive industry is gearing up to accommodate the anticipated boom in passenger car sales, which it expects to commence late next year and gather momentum in 1985

The company is the automotive components division of Dorbyl Automotive Products (Pty) Ltd (DAP), wholly-owned subsidiary of listed Dorbyl Ltd

Executive director Mr Ken Fisher told BUSINESS POST this week the division under his control was consolidating its operations following the acquisition for an undisclosed price in August last year of Cosmo Engineering

At a cost of some R1,5 million the premises in Deal Party vacated late last year by sister company Dorbyl Structures is currently being refurbished and expanded to accommodate the enlarged productive capacity of the automotive division

'Consistency the key element'

REACTING to suggestions that the component industry may be hard-pressed to supply motor manufacturers next year, Mr Bill Hayward, director of the National Association of Automotive Components and Allied Manufacturers (Naacam), said this week the crucial element in the demand-supply equation was consistency.

"On the one hand we need assured delivery at acceptable prices of our raw materials — and in this respect we are seeing Iscor to discuss the delivery of steel; and on the other hand we need to smooth out the severe fluctuations in orders from the motor manufacturers.

Mr Hayward said the component industry was due to talk to Iscor about the fact that it could land Japanese

steel on 14-day delivery at prices which were up to R230/ton below the SA price.

"And I have misgivings about the introduction by the manufacturers of the so-called 'canban' system, which means in effect they're shifting to component suppliers the need to carry inventories

"We suffer from severe fluctuations in orders, and in one case a component supplier ended up carrying 218 tons of surplus material as a result of scrapped orders," pointed out Mr Hayward.

Nonetheless the industry had spent millions of rands in increasing plant and capacity and training staff and given co-operation with regard to lead-times and confirmed orders would be able to cope with demand.

On the strength of a further investment of some R1 million in plant and equipment, the division's productive capacity will be increased sufficiently to accommodate a market for passenger vehicles which next year should work out at around 300 000, according to Mr Fisher

"We're spending about R1,5 million to refurbish our new plant and instal

various equipment, including the presses and other plant acquired from Cosmo — from whom we bought only the business and equipment, not their premises," explained Mr Fisher

"This is all for the purpose of expanding our operation in support of the future of the motor industry in the Eastern Cape"

Mr Fisher said the division's present site in Neave

township was inadequate for further expansion "whereas the new site will give us an additional 7 000m² of space"

"So we will be reorganising our operation — retaining the Neave site — with the accent on manufacture at Deal Party and assembly in Neave"

Mr Fisher said the move should begin within weeks and would be complete by the end of February

"Basically what we are doing is rationalising the Cosmo operation, which we took over in Struandale in August last year, with our own automotive components division. We will manufacture the components in our new plant in Deal Party and assemble them here at Neave"

The expansion project will increase output of Dorbyl's existing product lines, but coinciding with the enlarged operation is a

departure into the manufacture of seats

"We have entered into a licensing agreement for the manufacture of seats for the truck, bus and tractor markets," explained Mr Fisher. The licensing agreement is with Grammer Seating Systems, a German company

Dorbyl's existing product lines include seats for passenger cars, seat recliners and height adjusters, window winders (both manual and electric), car jacks, door locks, and door hinges, and Mr Fisher says the company enjoys the single largest share of the market for these products among all Eastern Cape manufacturers

"We also have a factory in Elandsfontein where we're already manufacturing some of the lines mentioned for the purpose of supplying the industry on the Reef"

Ford SA has unique plant safety record

FORD (SOUTH AFRICA) has achieved a unique position in the realms of plant safety in the country and is probably a leader world-wide

This is the judgment of Mr Bunny Matthysen, general manager of the National Occupation Safety Association, after the announcement that five Ford plants in Port Elizabeth had been re-awarded five-star safety ratings and two re-awarded four-star ratings

"There are 30 000 factories in South Africa and of these, 150 to 180 receive five-star ratings after we've carried out 9 000 audits and inspections a year," said Mr Matthysen

"For a company to be awarded a single five-star rating is an achievement to be proud of, but for Ford to have five plants each with these ratings places it in a unique position in South Africa

"There is no other company with a multi-plant complex that measures up to this standard

"And that is not all. On top of this, Ford holds 22 Noscars — the supreme accolade of safety achieve-

ment — adding to its unrivalled standards and record"

The plants whose five-star gradings have been renewed are

- Truck plant (now in contention for a Nascar)
- Engine plant (which has won Noscars for 10 consecutive years)
- Struandale assembly plant (winner of four Noscars)
- Neave assembly plant (winner of eight Noscars)
- Product development

Four-star re-awards were made to parts and accessories at Struandale, which has been recommended for upgrading to five stars, and education and training

Mr Matthysen explained that to win a five-star rating a plant or factory had to achieve 91% or more in meeting Nosa's exacting standards, to achieve a Nascar a 95% plus rating had to be gained

He added that South Africa, through Nosa, was a worldwide leader in auditing and inspecting plants and factories on the basis of star ratings

"We introduced this system in 1960 and, because of its success and the positive results achieved, it has been adopted in some parts of the United States

"Australia will be introducing a system modelled on ours early next year

"That places Nosa, and companies like Ford with long associations with it, to the forefront in the world"

Mr Matthysen said that the Nosa programme worked on a management-by-objectives basis, coupled with a system through which everyone in a company was made fully aware of the needs for safety

"Each company is evaluated against itself — we inspect the factory and see what it manufactures or what is stored in it and set the objectives, against which it is measured

"We also take into consideration the frequency of accidents, and one measure of the success of the Nosa programme is that the national average has been reduced from 4% in the 1950s to 1,8% now

"Ford's frequency is below even this figure, which is among the lowest in the world"

192 E. Post 15/11/83

Workers win big bonus increase

PORT ELIZABETH. —

Workers at the Shatterprufe Safety Glass company in Port Elizabeth are to receive a 250% bonus increase and a 10% across-the-board wage increase, following negotiations between management and the Chemical Workers' Industrial Union last week.

Mr Les Kettleidas, a spokesman for the Federation of South African Trade Unions, said members believed the bonus increase was "very substantial", the size of the increase being one he had not previously encountered in his dealings with employers.

"In my opinion the bonus increase compares favourably with some of the other leading companies in the area," he said.

This follows a dispute between management and 520 workers at the company who staged a one-hour strike last Tuesday over management's wage and bonus offers.

Workers finally accepted management's offer after a report-back meeting with the union last Thursday. The increases come into effect next month.

Mr Kettleidas said workers were happy with the bonus increase as it was a "sensitive issue which had been a priority among them". The union, however, would continue to pursue its demand for one month's salary as a bonus, he said.

He said management's initial offer of a 3% wage increase and an additional annual bonus — equivalent to one week's wages — had been rejected by workers.

The final bonus increase was equivalent to three-and-a-half weeks' pay and meant that a worker in the lowest grade would receive an additional R205 bonus — in this instance, a total of R287.

Mr Neville Schonegevel, personnel director at Shatterprufe, said the company was satisfied with the settlement.

A recognition agreement was concluded between management and the union on August 12 and more than 80% of the workers belong to the CWIU — Sapa.

Atlantis could rival PE as motor centre

By FRED ROFFEY

CAPE TOWN — Atlantis, the industrial city 45 kilometres north of Cape Town, is fast developing as a motor industry centre which could eventually compete with Port Elizabeth

Other companies in the motor and allied industries are expected to be attracted to Atlantis as a result of the decision by Cummins Diesel (SA) to build a R7-million refurbishing plant for diesel engines there

The Atlantis Diesel Engines plant is already operating at Atlantis on a 33ha site

Cummins Diesel is the industrial distributor for ADE engines

Its new plant at Atlantis will cover 4 000m² and have full facilities for refurbishing worn diesel engines

The company will start work on the nearly 6ha site this month (November) and expects to be in production by the second quarter of 1985

The arrival of Cummins

has strengthened the strong nucleus of automotive engineering at Atlantis, which has names such as Ferroform and Dorbyl in addition to ADE

Dorbyl Automotive Products has a R3-million forge building at Atlantis to make crankshafts and other diesel engine parts for ADE

In eight years nearly 80 industrialists have moved to Atlantis, where the work force tops 16 000

Another 46 companies aiming to move have had applications approved by the Decentralisation Board and are expected to provide jobs for an extra 1 800 people

About R700 million has been spent at Atlantis, comprising R650 million by industrialists on buildings and equipment and R45 million on infrastructure

Unlike Port Elizabeth, the Atlantis industrialists enjoy huge tax and other concessions as well as land at R6,5 a square metre

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SIGMA

Still in a skid

Sigma Motor Corporation is likely to repeat its R55m loss for 1982 this year despite assurances to the contrary from the Amic camp

And new MD Spencer Sterling's predictions that the company would be breaking even by the third quarter are also not likely to be realised

Sterling took office in January in a management reshuffle which included the departure of previous MD Fred Butler and an agreement that chairman Chris Griffith would become less involved in the day-to-day running of the organisation

"We have failed to meet production targets because of a complete breakdown of our logistical support system," says Sterling "We have thus been unable to produce what we could easily sell"

He also speaks of the "collapse" of one of the company's key suppliers in keeping up with demand

Sterling admits he did not appreciate the depth and extent of the weaknesses in the system when he joined, some became apparent only as Sigma's three new vehicle lines, the Mazda 626, the Mitsubishi Tredia and the Mitsubishi L 300 buses and bakkies were introduced

"Part of the problem was that previous management had locked us into a policy of phased introduction of the 66% local content requirements," he says "For a few months we had to produce vehicles of only 44% local content and then stop the plant to retool for the higher levels

"Not only did this lose us weeks of production but we had to pay heavy penalty duties to government for our reduced local content

"This increased cost burden and the lower than budgeted sales revenues were a devastating combination

"The plan we inherited to launch three new models in such a short space of time put severe burdens on our cashflow For three quarters of this year we had to live with the costs of introducing the Mazda 626 but will benefit from only one quarter of sales Had I planned this I would have spaced out the launches more"

Sigma has also been without a marketing director and a manufacturing director for several months during this period when leadership was badly needed in these areas But Sterling says he was prepared to wait to get the right men

New manufacturing director Alan Thom is from Ford Australia and marketing director Richard Murray headed British Leyland's world-wide marketing for Land Rovers

Sigma has been criticised for trying to



Sigma's Sterling ... troubled by logistics

pre-empt the launch of the high-selling Ford Sierra by putting forward the launch of its Mazda 626 at a time of stock shortages

Sterling defends the decision on the grounds that the Mazda's production problems would not have been discovered until next year had this not been done

"Logistics were not the only weakness in the company," he says "There is no part of the operation which has not been restructured"

Sterling maintains that Sigma will now show profits next year "Our problems are being ironed out and availability is improving all the time," he says "And next year we will not have to bear the one-off costs of our new-model introductions

"We hit our low point in April when we sold only 1 763 cars to get a market share of 8,3% In October we sold 3 261 units, nearly double this figure, to get a share of 14,1% and I predict that our November share will be up to 15%

"To get a reasonable return on our investment we will have to get a share of 17%-18% next year"

FERTILISER

Tariff trauma

Ammonia producers AECI and Sasol and the farming community are on tenterhooks over government's expected announcement

on protective tariffs for the fertiliser industry this week These measures will replace the import permit system which has so far protected the industry

The responsibility for the final decision rests on Industries, Commerce and Tourism Minister Dawie de Villiers who will be hard put to accommodate the conflicting interests of the two powerful lobbies

Farmers are hoping the duties will be low enough to allow them to take advantage of low world prices for urea, an ammonia compound According to Nampo this could be obtained for R259/t (fob price of R143/t with shipping and distribution costs of R116/t) against the local price of R381/t which is 47% higher

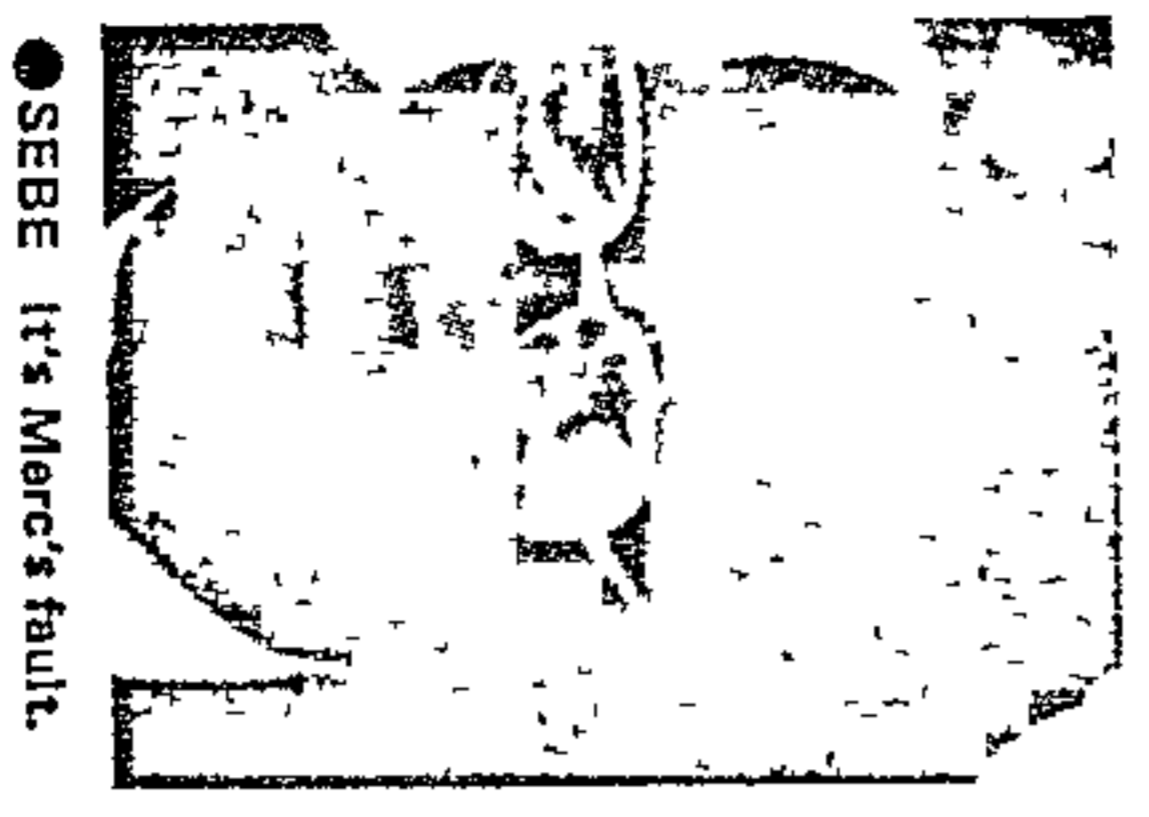
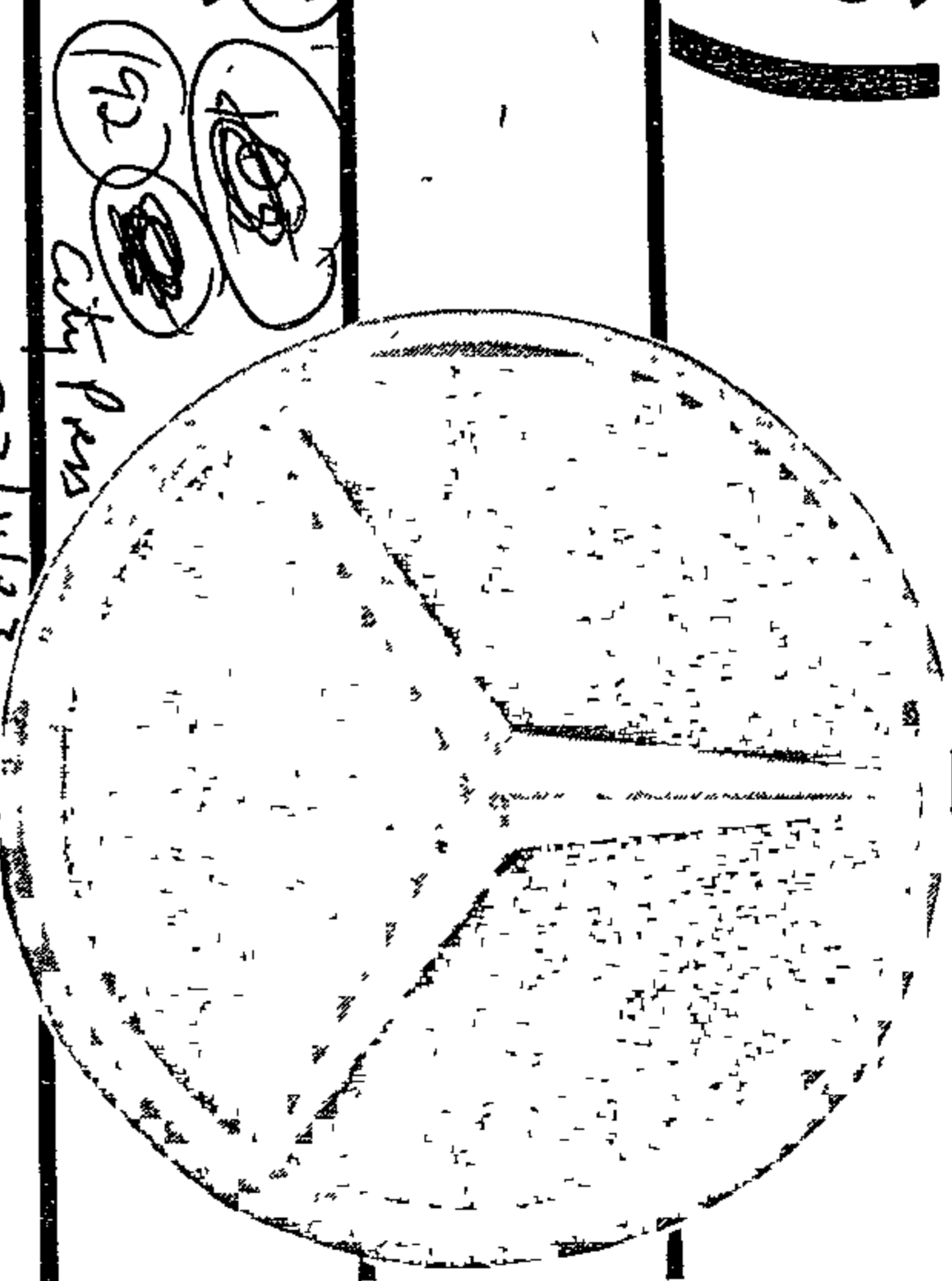
These calculations, it says, are based on the currently weak rand which is likely to strengthen and thus make imports even more attractive

For its part, the industry will no doubt argue for protection on the grounds of its strategic importance and the fact that its investments were made on the strength of government promises of protection It is also hard-pressed by a 50% fall in demand due to the drought.

Nampo is trying to persuade government that manufacturers receive protection only against dumped imports, not those which sell at world prices

It says that producers should be given an opportunity to adjust to reduced protection and find alternative manufacturing areas in which to concentrate

Sebe (WHO DRIVES) blames it all on Mercedes



● SEBE It's Merc's fault.

PRESIDENT Lennox Sebe — whose homeland government runs a fleet of expensive BMW motor cars — this week accused Mercedes Benz of being responsible for the turmoil in Ciskei.

He told a rally at Mdantsane's Sisa Dukashe "terror stadium" that East London industrial firms were behind the bus boycott in the homeland and unrest that went with it.

He then singled out the Car Distributor Assembly plant, where South Africa's Mercedes and Honda motor cars are assembled, and warned "Ciskei has laws to deal with people like those behind the Mdantsane troubles."

CDA managing director Leo Borman said later he was baffled by the president's accusation, saying he had done his bit for Ciskei by trying to get a technician established to serve

their step".
Meanwhile, the SA Transport Service says the number of people using trains between Mdantsane and East London has increased fourfold since the boycott started in July.

By BENITO PHILLIPS
Who drives a Mazda

"The number increased from 6 000 a day to 23 000 a day," SATS said in a statement released to City Press

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City Press

27/11/83

Odds against plea for more controls on parts' imports

192 ~~192~~ E. Post
30/11/83

By LOUIS BECKERLING
Business Editor

NAAMSA, the body representing the country's motor manufacturers, met yesterday to finalise its stand on statutorily-enforced local content in the motor industry

Both Naamsa and its equivalent association representing suppliers to the industry (Naacam), have finalised studies on local content and are expected to meet in January to try and prepare a uniform approach to the Government

Comments already made in advance of the proposed meeting suggest there is a considerable difference in the conclusions reached in the two reports — with Naacam evidently recommending a substantially increased local content requirement, while Naamsa argues against significant increases beyond the current level of 66% (by mass) of each passenger vehicle and light commercial

vehicle

Against the background of a determined anti-inflationary drive, the odds appear heavily stacked against Naacam gaining further protection for local parts' makers

Commenting on this issue in a telephone interview from Pretoria yesterday, Naamsa director Mr Nico Vermeulen said "It may be we'll find more common ground than is generally anticipated"

The meeting, said Mr Vermeulen, would finalise the Naamsa stance on the issue and the organisation was committed to a meeting with Naacam "to consider the results of the respective studies and establish whether there is scope for a uniform approach on Phase 5 of the local content policy"

Naacam's evident desire for greater protection of the local component manufacturing industry enjoys little support Economists

— such as Professor Brian Kantor who, addressing their annual meeting in Pretoria in September, forecast a "more critical" attitude from Government And, reading between the lines, the Government itself is against more protection

Thus the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, warned in a recent speech in Port Elizabeth that local industry would have to keep its prices down and said tariff barriers should remain "moderate"

In his address to Naacam in September, Professor Kantor warned that he saw the emergence of a more critical approach from the Government towards protection, not because of persuasions of free market economists, "but out of the experience of industry and the economy generally of the internal inconsistencies of the policy of protection

"You don't protect some

sector of the economy without adversely affecting some other sector"

"The internal contradictions are obvious They're obvious to maize farmers and they're obvious to motor manufacturers"

In his speech to mark the official opening of a multi-million rand expansion to the Firestone plant in Port Elizabeth, Dr De Villiers emphasised that in the "monopolistic and oligopolistic" marketplace such as South Africa "imports represent an important means of furthering effective competition

"It is of the greatest importance for the well-being of the South African economy that effective competition be encouraged," said Dr Villiers, adding, significantly "Competition is not only indispensable to ensure efficiency and the optimal utilisation of the country's resources, but also to combat inflation

Takeover

Deer

VW BEEFS UP TRAINING PLAN

By PRISCILLA WHYTE

VOLKSWAGEN of SA has extended its apprentice training scheme.

A training centre was opened by Dr Wolfgang Habel, chairman of Audi NSU of Germany, who was in South Africa for the launch of refurbished Audi range. The VW R1,5m apprentice facility is the first part of the company's R200m expansion programme.

The training centre is the largest in the SA motor manufacturing industry and about 36% of all apprentices in the industry are trained by Volkswagen. SA needs to train 20 000 artisans each year to maintain growth in the motor industry. In 1982 only 14 497 apprentices were indentured

Dr Habel says training is part of

VW's business philosophy as shown by the growth in the company's training budget (1980, R0,73m; 1981 R1,3m; 1982 R2,9m; and R3,9m this year).

In 1982 and 1983 the apprentice intake was 100. VW SA employs 300 technical trainees on a full-time basis.

It offers training for motor mechanics, electricians, electronics technicians, die-and-press tool-makers, tool and jigmakers, turners, machine fitters, automotive machinists, machine tool mechanics and welders.

Additional training in hydraulics, pneumatics and electronics is offered. VW has 239 000 employees throughout the world and has trained 20 000 young people in Europe, America and Africa.

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GETTING INTO GEAR

FM 2/12/83

Motor industry trade unions are leading the way in forging forms of unity that could have major repercussions on the industry and on industrial relations in SA as a whole. They certainly appear to be willing to overlook ideological differences to initiate concerted action aimed at improving the lot of workers in the industry's lower-paid categories.

The unions, which plan to meet on the issue early next year, are the Motor Industry Combined Workers' Union (Micwu) affiliated to the Trade Union Council of SA, the National Automobile and Allied Workers' Union (Naawu), affiliated to the Federation of SA Trade Unions (Fosatu), and the Council of Unions of SA's (Cusa) United African Motor and Allied Workers' Union (Uamawu).

The move has been initiated by Micwu general secretary Des East. It follows on Naawu's support of Micwu's R2/hour minimum wage demand in the latest round of negotiations at the National Industrial Council for the Motor Industry (*Current affairs* November 11). This was the first time in the motor industry that a Fosatu and Tucsa union had managed to agree on a wage demand.

East tells the *FM* that although the industrial council negotiations have not been completed, his union has failed to win its minimum wage demand. Final details have still to be spelled out but it seems certain that the average minimum wage increase will be 22,5% rising to a maximum of 42%. In the component sector of the industry, the minimum rate will go up from R1,03/hour to

R1,50/hour. In others it will go up to about R1,28 an hour from R1. The council is due to meet again next week.

According to East "We are very disappointed that we could not achieve our demand. But it was a case of give and take. Now it's my intention to meet other unions in the industry, even if they are not members of the industrial council, with a view to broadening the base of representation, specifically for the lower-paid workers. Without sacrificing our principles we would be failing in our duty as trade unions if we did not get together on issues of common interest. Employers are having a field day because of the splits in the union movement."

In the past, Naawu has concentrated on organising in motor assembly plants and is represented in 40% of that sector. However, in the past 18 months it has stepped up activity in the components sector.

"We have got an increasing presence in the industry covered by the National Motor Industrial Council. As a result we have applied for membership of that industrial council," Naawu organiser Taffy Adler tells the *FM*. Responding to East's initiative he says "We would be willing to meet with and discuss matters which would be to the benefit of our members with anybody in the hope that we would be able to further their cause."

Uamawu general secretary Dora Nowatha tells the *FM* "We have agreed to meet the other unions. We don't think our differences should be an obstacle to settling the problems we are having in the companies."

Metal union signs first maternity leave deal

By STEVEN FRIEDMAN
Labour Correspondent

THE Metal and Allied Workers Union has signed its first maternity leave agreement — and the union says it hopes this will set a precedent which other companies in metal-related industries will follow

The union has signed the agreement with Pinetown automotive components firm Smiths Industries, where MAWU says it has 350 members

The agreement will guarantee women workers their jobs back up to six months after leaving to have a child and the company will pay medical aid and pension contributions for workers during this period

However, women who leave to have children will not be paid for the maternity leave period

According to a company spokesman, who confirmed the agreement, the plant employs mainly Asian women workers

He said Smiths Industries regarded the agreement as a "breakthrough for both the company and employees" which "has gone a

long way towards building better human relations".

A MAWU statement yesterday said that the agreement, which also includes bonus leave provisions for all workers, was reached with the assistance of a mediator who was called in after the two sides had deadlocked

The maternity agreement means women workers have the right to up to six months' maternity leave, after which they are guaranteed their jobs back or a similar job at not less than their previous pay rate.

Women who take maternity leave will also be entitled to benefit from any wage increases granted during their leave

The leave bonus agreement will guarantee all workers with one year's service the equivalent of three weeks' bonus in addition to their normal leave pay at year's end

A union representative said MAWU regarded the maternity leave agreement as "particularly important" and said it "trusted" it would set a precedent for other companies.

Wage negotiations between MAWU and Smiths Industries are scheduled for April.

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By Angus Macmillan

CAR manufacturers will have to look to blacks for most of their growth in years to come, according to figures from Central Statistical Services in Pretoria.

This market sector has shown the most significant growth in the past 10 years, and it is only a matter of time before the white sector reaches saturation point.

An equation that measures the car wealth of white South Africans is average white household equals 2.5 cars. This ratio puts them second only to Americans and is nearing the maximum three cars a family put forward by many pundits.

December 1982 saw 497 vehicles for 1 000 white popu-

Booming black demand for cars

lation, 66 for 1 000 coloureds, 180 for every 1 000 Indians and 22 out of each 1 000 blacks as registered owners of vehicles

For whites this represents a 20% increase on 1970, 135% for coloureds, 116% for Indians and a 266% increase for blacks, who owned six vehicles for every 1 000 persons 13 years ago

Blacks now own more than 227 000 passenger cars, 22 000

mini-buses and 134 000 commercial vehicles, and, along with coloureds and Indians, are becoming a considerable market force as their buying power increases.

These figures do not distinguish between new and used vehicles, but, with manufacturers and parts suppliers aware that saturation of the white market is not far off, it will increasingly be black buyers that are wooed in the

new-car market.

Naamsa, the National Association of Automobile Manufacturers of South Africa, sees sales of new cars to blacks increasing by 18%-20% a year over the next decade

Allied to this trend is an increase in do-it-yourself repairs, which has prompted the National Automobile Parts Association (Napa), SA's largest buying and sell-

ing wholesale parts co-operative, to establish a retail arm

Its King Midas franchise is designed to capture a share of the DIY market, which has grown from 20% of parts sales in 1978 to 28% this year, according to MD Sarel de Vos

Other reasons for Napa's retail venture are to safeguard the distribution function of independent wholesalers which has been eroded by the development of specialist fitment centres and retail chains, market share of all-parts programmes of vehicle manufacturers and the entry of hypermarkets on to the scene.

He sees growth in black car ownership as a catalyst for DIY sales as maintenance costs continue to burgeon

Maternity Leave decision

Labour Reporter

Star 5/12/83

The first maternity agreement signed by the Metal and Allied Workers' Union was concluded with the Pinetown automotive component manufacturers, Smith Industries, last week

The agreement ensures that female employees of the company have a right to maternity leave of up to six months, at the end of this period they are guaranteed their jobs back or similar positions at the same salary, and during maternity leave the company will pay their pension and medical aid contributions

In addition to the maternity benefits, it was agreed that a leave bonus would give workers with a years' service the right to an additional three week leave bonus over and above the normal leave pay due to them

The agreement was reached with the aid of a mediator after negotiations ended in deadlock with management a couple of months ago.

Altogether 350 Mawu members at the plant will be affected

Pretoria Bureau

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About 600 workers at
Silverton Engineering
in Pretoria downed
tools yesterday be-
cause they were unhap-
py with the yearly
bonus payouts

The work stoppage
started shortly after
the workers received
their bonus money.
They were apparently
dissatisfied with the
amount and decided
not to return to work

A source close to the
workers said today the
payouts were "far less
than those of last year
They received between
R100 and R200 last
year".

The source said the
workers were told to
go home with the pro-
viso that they returned
to work today. They
were apparently told
that those who did not
report for duty would
be fired

Work ^{stop} stoppage 13/12/83 over pay bonuses

Mr Bill du Toit, per-
sonnel manager of the
company, said there
was a misunderstand-
ing about the bonus
money.

"We adopted a new
system this year. The
public holiday fund
was deducted from the
bonus money because
it is now included in
the annual leave pay."

The new procedure
had been explained to
the workers and every-
thing was back to nor-
mal, said Mr du Toit

"There have been no
dismissals and every-
body is back at work."

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700 walk out at PE plant

Own Correspondent
PORT ELIZABETH — With the annual shut-down only a day away, between 700 and 800 workers at Ford's Struandale assembly plant yesterday downed tools and walked off after management had said it had changed its mind about a dismissed worker who had now, instead, been suspended for five days

And the whole issue revolves around a company request that workers should start an hour earlier — 6 30am, instead of 7 30am

According to Mr Dennis Neer, general secretary of the Motor Assemblers' and Component Workers' Union of South Africa (Macwusa), the problems at the company began on Thursday when management told workers on the Sierra's production line they

had to start work an hour earlier from Friday morning

The workers, members of Macwusa and the National Automobile and Allied Workers' Union (Naawu), defied the instruction and started work as usual at 7 30am on Friday as they felt they had not been given a good reason for the earlier starting time

"This was a strange request because it is seldom the whole plant is asked to start so early, and especially not at this time of the year," said Mr Neer

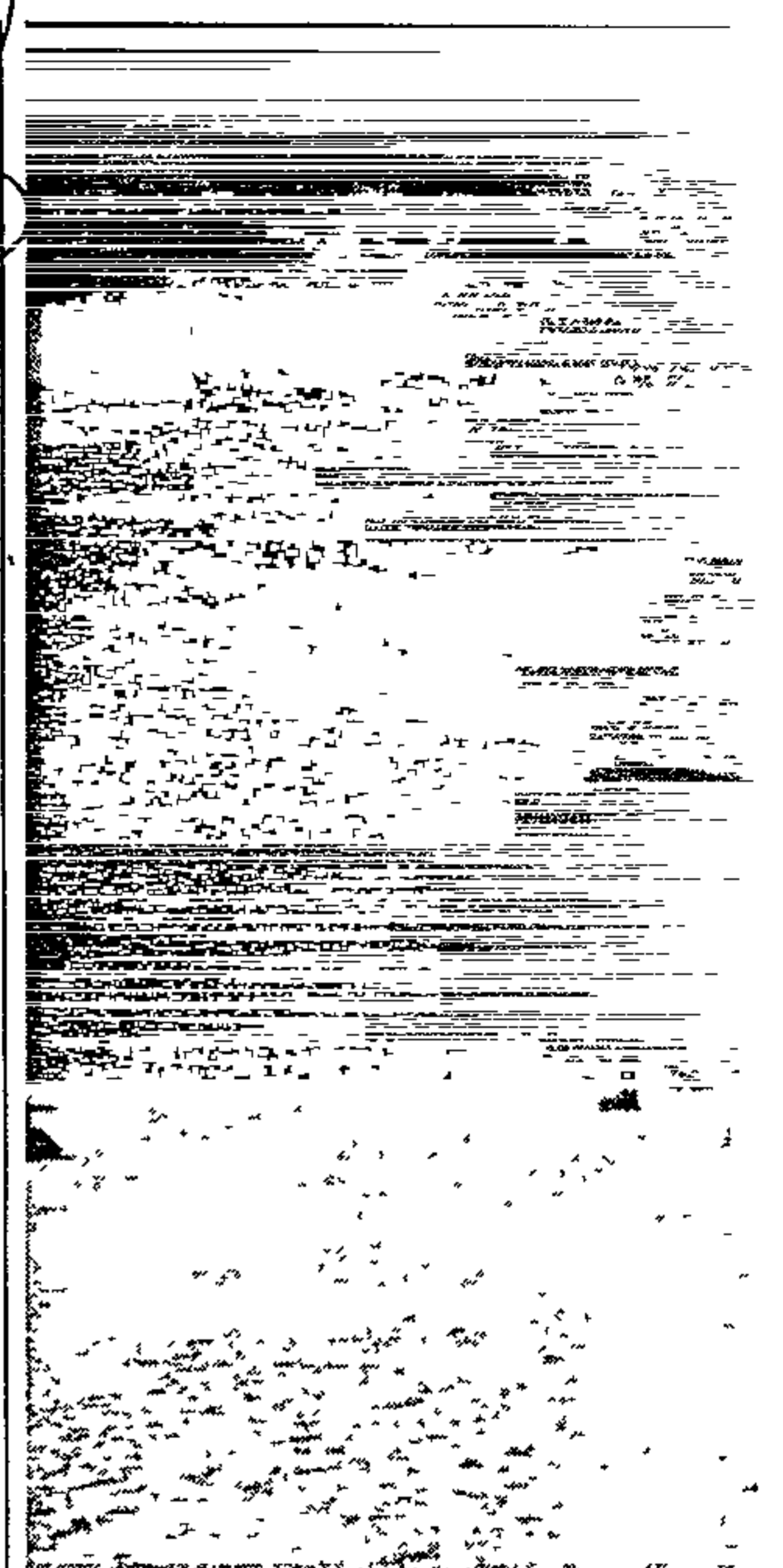
He said that on Friday a Naawu worker was dismissed because the company claimed his work was behind schedule. Workers of both unions then downed tools for two hours and demanded his reinstatement

On Monday, workers on the Sierra's trim and chassis lines refused to start work till management had assured them their colleague's case would be reviewed

"The workers believed their colleague had been victimized and gave the company a deadline to reply by 10am yesterday," said Mr Neer. "However, management told the shop stewards it had changed its mind about the fired worker who had now, instead, been suspended for five days, effective from Friday"

The workers felt this was unacceptable and left the assembly line. They felt this was purely a worker problem and between 700 and 800 decided to walk out

Yesterday the workers met at a church hall in Kwazakele. The matter was being dealt with at shop-steward level.



This view of Sossusvley in SWA

UN asked to act on SA

From RICHARD WALKER

NEW YORK — Angola yesterday revived efforts to have the United Nations Security Council act against South African border incursions

The sudden move brought the United States Assistant Secretary of State, Mr Chester Crocker, to UN headquarters. Both he and the Angolan Ambassador, Mr Elisio de Figueiredo, separately saw the Secretary-General, Mr Javier Perez de Cuellar

UN sources predicted a Security Council meeting within days, though Angola's strategy was not immediately clear

It is well over two years since the US stood alone in vetoing a Security Council condemnation of South African operations in Angola, a move that splintered the Western contact group

The UN General Assembly sweepingly approved a resolution recently condemning

Trial tapes: 2 acquitted

Staff Reporter

A WOODSTOCK shopkeeper and his son, who allegedly tried to destroy the taped record of a drug trial, were yesterday acquitted in the Regional Court on a charge of defeating the ends of justice

Mr Hoosain Jaffer, 44, and Mr Hassiem Jaffer, 21, both of Gympie Street, had pleaded not guilty to this charge and to a further charge of fraud, relating to an alleged attempt to evade hire purchase payments on a car

It was alleged that between May and July this year they gained illegal access to magnetic tapes on which the trial of Ebrahiem Hoosain was recorded, and attempted to destroy them. Hoosain had noted an appeal against a 12-year sentence

Mr Frederick van Rensburg, a family friend, said he had spoken to Mr Hoosain Jaffer in May and offered to obtain the trial tapes in return for R10 000 from Mr Hoosain

Mr Van Rensburg, a self-confessed drug dealer and police informer, said he immediately informed the Narcotics Bureau of the situation

Major George Potgieter and Captain Leonard Knipe then planned to hand over the tapes to Mr Jaffer. Mr Van Rensburg was given 11 cassettes

Before he left for Mr Jaffer's shop, a tape recorder was attached to his person by Captain Knipe

As part of the deception, he was arrested with Mr Jaffer, his son and another man

Under cross-examination by Mr NJ Treurnicht, for both accused, Mr Van Rensburg admitted that he and Mr Jaffer had wanted to double-cross Hoosain. They had wanted to duplicate the trial tapes, replace them, and present the copies to Hoosain as the originals

Mr Jaffer said he had merely wanted to help Mr Van Rensburg recover R10 000 he had lent Mr Hoosain. The idea was not to destroy the tapes

Kerzner to crack down in casinos

Own Correspondent

JOHANNESBURG — Casino king Mr Sol Kerzner has ordered a crackdown in his R100-million a year gambling empire to prevent frauds similar to the one which was allegedly perpetrated at Sun City "during the past few months"

Yesterday he confirmed that his Sun International company was fully aware of the nature of the fraud at Sun City which allegedly involved "several hundred thousand rands," and knew how it was operated

He has ordered security checks at the other casinos he controls

Eight women and four men appeared in the Mogwase Magistrate's Court yesterday charged with the theft of R129 000 from the Sun City casino



Work stoppage by 700 at Ford set to continue

By CLARE
PICKARD-CAMBRIDGE

NEARLY 700 workers — about 200 more than yesterday — stayed away from work at Ford's Struandale plant today. They plan to return tomorrow only to collect their pay before the annual shutdown

The workers downed tools when management informed them that an employee in the main-line section had been suspended

for five days because "his work was behind schedule".

A shop steward at the plant, who did not wish to be named, said only a few workers returned today.

The number who had left the paint shop, body shop, trim, chassis and main line sections had swelled from about 500 yesterday to nearly 700 today, he said

Official dispute procedures had not been invoked because workers had been waiting on management for

a decision about the National Automobile and Allied Workers' Union (Naawu) worker who had been fired. Management yesterday decided to suspend him instead

He said workers involved in the stoppage would meet tomorrow to collect their pay packets at 10am because that was when the suspended man had been told to turn up for his pay

"But workers do not in-

tend to do any work tomorrow," he said.

"They will be meeting again at the Holy Spirit Church Hall in Kwazakele on January 7 to discuss the situation before the plant re-opens on January 9"

He said he hoped that the 10-man workers' committee would be able to meet with management to discuss the situation when the plant re-opened

He reiterated that yesterday's work stoppage and

worker stay-away had not been initiated by Naawu or the Motor and Allied Component Workers' Union of South Africa (Macwusa), but had resulted from a general dissatisfaction on the part of all workers

It had been a grass-roots decision by sympathetic workers

The director of industrial relations at Ford, Mr. Fred Ferreira, could not be reached for comment

Striking workers take leave

Cape Times 16/12/83

Own Correspondent
PORT ELIZABETH — Striking workers at Ford's Struandale assembly plant collected their outstanding pay after 10am yesterday and took their annual holiday, which ends on January 8 next year.

The workers, belonging to the National Automobile and Allied Workers' Union (Naawu) and Motor Assemblers' and Component Workers' Union of South Africa (Macwusa) and said to number between 700 and 800, have been off work since Tuesday morning in sympathy with a suspended worker

'No incidents'

According to Mr Dennis Neer, Macwusa's general secretary, no incidents were reported. However, it could not be established if the workers had received their full outstanding pay, holiday pay and bonuses.

Ford's industrial relations director, Mr Fred Ferreira, and other senior management personnel were not available for comment yesterday afternoon.

Mr Neer said the workers would meet at an open meeting on January 7, two days before the factory resumed production for the new year.

The two unions were not involved in the work stoppage, as workers felt it was purely a

worker issue, he said. The issue arose on Thursday last week when management asked workers on the Sierra production lines to start work an hour earlier the next day, reportedly to catch up on the Sierra's backlog. The workers refused to do so.

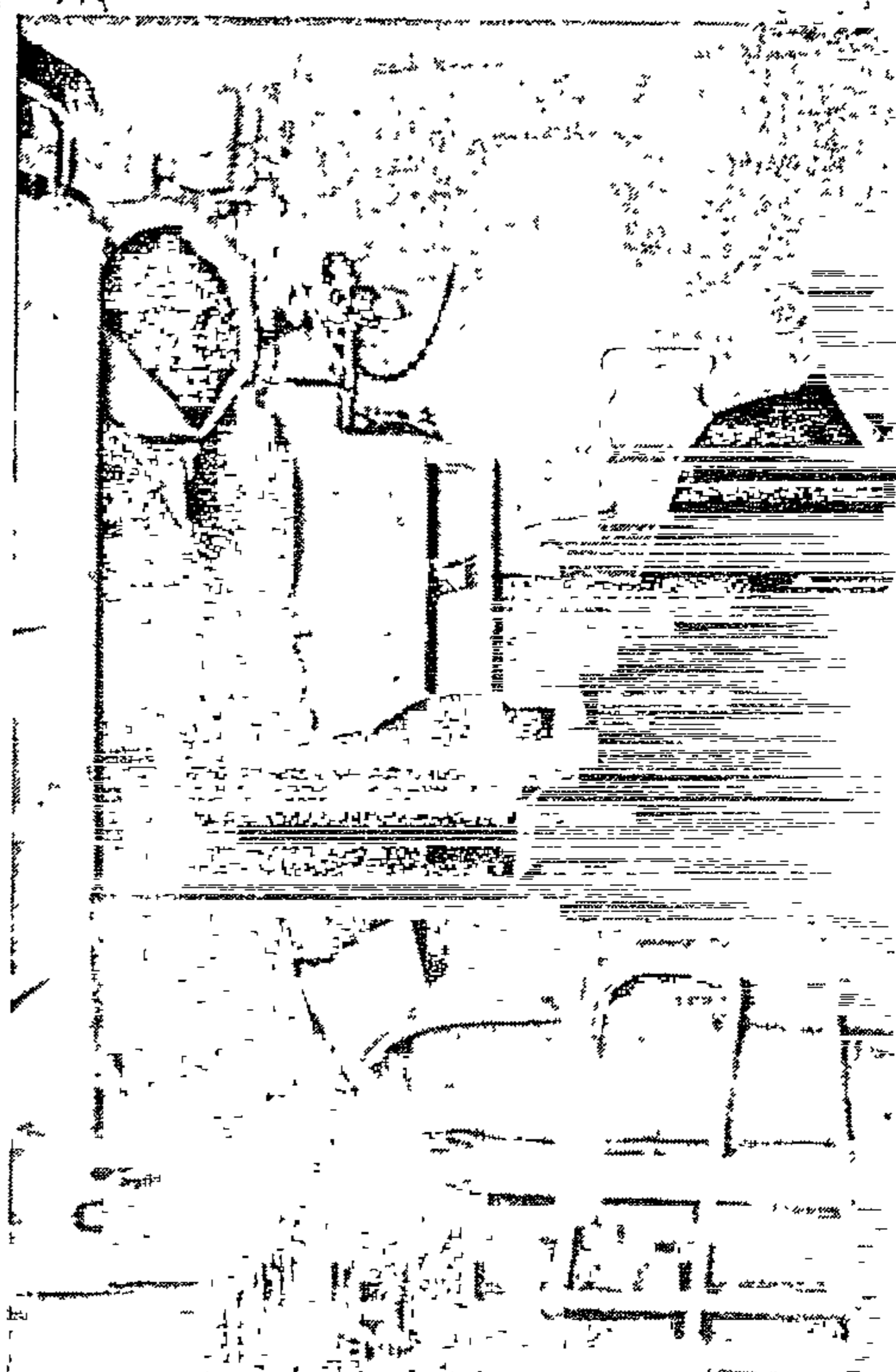
'Suspended'

Later, a Naawu member was dismissed. According to worker representatives, the company had claimed his work was behind schedule. Workers downed tools for two hours, demanded that management review their colleague's case and gave a deadline of 10am on Tuesday.

Management's reply was that the worker had only been suspended for five days, effective from Friday. Workers refused to accept this explanation and walked off their jobs.

After a meeting on Tuesday night, they decided they would return to work at 10am yesterday, but only to collect their wages, holiday pay and year-end bonuses. It was the same time the suspended worker had been told to collect his

Yesterday afternoon Mr Phaldie Kalam, Ford's public affairs manager, said that yesterday was also the start of the annual shut-down for the company's other plants and for administrative staff.



Seven people were injured in a bomb blast in the Johannesburg. This was the third blast in just over a week. Some of the injured were Mr Piet Tlou, Mr George Lakgwathe, Mrs G.

Fate of MNR in balance say sources

Cape Times 16/12/83

Own Correspondent
LISBON — The future of the South African-backed rebel movement in Mozambique — Renamo — appears to be in the balance following preliminary moves to reach a security agreement between Pretoria and Maputo, Portuguese sources believe.

Renamo, the Portuguese acronym for the Mozambican National Resistance movement, has been responsible for constant and sometimes spectacular sabotage in Mozambique since 1977, and is widely held to be used by Pre-

toria for putting pressure on Maputo.

It has repeatedly sabotaged powerlines carrying electricity to South Africa from the Portuguese-run Cabora Bassa hydro-electric project, causing huge financial losses to Portugal and keeping prices artificially low.

Low profile

Following the visit to Lisbon late last month by the South African Foreign Minister, Mr Pik Botha, the Portuguese have been active in working for a summit meeting between Mozambique's President, Mr Samora Machel, and the South African Prime Minister, Mr P W Botha, at which a "mutual security agreement" is likely to be discussed.

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Industrial
relations

20/12/83

'played out' in full

Own Correspondent

CAPE TOWN — Not many businessmen would pay hundreds of rands to eat samp and beans and break hotel windows

But when they are playing the part of 4 000 angry motor assembly workers fighting for higher wages, it gives them a fleeting taste of what life is like on the other side of the fence

THE SCENE

The scene is Uitenhage, June 16 1980 Volkswagen workers have been negotiating for the past few weeks for an increase from a minimum of R1,15 an hour to R2 an hour

Workers have not yet had a chance to discuss management's latest offer of R1,35 an hour and had planned to do so in the township yesterday

But early yesterday Security Police banned the meeting

The workers are outraged The scene in the sprawling township where they live is tense as calls for a June 16 stay-away intensify

Demanding to speak directly to management, about 4 000 workers walk out of the factory and congregate on the lawn outside At one stage windows are broken by the jostling crowd

And it is usually at that stage of the game that people who work in the same company — people who are all businessmen and women — begin snapping at each other, banging dustbin lids and breaking windows

The game, drawn up and researched by Mr Norman Faull of UCT's Graduate School of Business, is based on an accurate and detailed case study of the Volkswagen strike of 1980

GAVE INFORMATION

Both VW and the National Automobile and Allied Workers' Union gave detailed information willingly

It is an industrial relations training course for management with a difference

It involves a three-day simulation exercise, in which participants take the part of real characters on either the union or management side

After a brief scene-setter by Mr Faull, participants are divided into a union and a management team and get to know each other with their new personalities

The dramatic events of three weeks are played out in three days The "workers" demand R2 an hour; "management" shows no signs of giving in

In real life, a settlement was reached on July 8, a day after the workers had returned to work

In the game, as in real life, outside actors enter the picture at the start of the three-week strike The Press tele-

phones both sides for comment, the police want to know what is going on, the VW head office in Germany expresses concern and a top official from the International Metal Workers' Federation flies to Port Elizabeth

Industrial council negotiations are acid "It's all right for you," says union official "Johnny Mke" to the management team "You go back to your smart houses with tennis courts and swimming pools, you drive big cars We have nothing to go back to"

And the "workers" should know They have just come from a meal of samp and beans Not too far away sat "management", drinking good wine with their three-course meal

Before the final round of "negotiations", the union and management teams swap roles

The new union is seriously divided and confused, some workers accuse the officials of "selling out" They walk out and besiege the industrial council office with a barrage of ice-cubes

PURPOSE OF GAME

"The purpose of the game is not to replicate reality But people learn from being in a particular role and operating under extremely tense conditions," said Mr Faull this week

He believes "gaming" is one of the best ways to learn "One does not reach the same peak of knowledge as with conventional instruction, but the tailing-off period is much longer because of the emotional experiences"

In April Mr Faull presented his case study, on which the game is based, to the International Management Institute in Geneva

Bus upsets local motor men

By SIMON WILLSON

DESPITE stiff duties and well-established South African competitors, an imported minibus has come from nowhere to capture more than 10% of the national market in under three months

For the second time this year, the domestic motor industry has been upset over what it sees as deliberate undercutting by a model imported from Japan at "dumped" prices

The WFR 16-seater minibus was first imported by General Motors last July when Isuzu — part of the worldwide GM organisation — made the model available for export from Japan

The WFR is now at least R500 cheaper than locally assembled

rivals and has cornered a healthy share of the market

Earlier this year, the fully imported Daihatsu Charade caused a similar storm when it undercut rival small cars by at least R200, despite a 100% import duty

Alfa Romeo, importer of the Charade, was accused of "dumping" the car in SA to corner market share. The Charade is now manufactured at Brits

GM South Africa thought there was a gap in the domestic minibus market that could be exploited by the low-priced WFR

The company saw particularly attractive sales potential in the black taxi market which, despite the threat of restrictive legislation, is underpinning minibus sales

The WFR retails for about R13 950, against the R14 600 to R15 000 price tags on minibuses made in SA by Toyota and Volks-

wagen
Only four WFR units were sold in August, the model's first sales month

September sales soared to 101 units and monthly sales have averaged 125 units since then

SA's total minibus market has been variable this year, but has averaged about 1 000 units a month

The WFR's true popularity may be even greater than the figures show because GM only imports them to match dealer orders, with no speculative extra models in showrooms

As Alfa Romeo did in May this year, GM has rebutted accusations of "dumping"

"Everything we are doing fits in with the local content programme and we're sticking to the rules completely," says a spokesman

Alfa Romeo said competitors who thought the Charade's price

was too low should look at their own margins to check that their models were not over-priced

Alfa also obtained the tacit support of the Government when the Deputy Minister of Finance, Mr Eli Louw, said the Charade's low price could be helping in the fight against inflation

GM has not yet taken a decision to follow Alfa Romeo's example by starting up domestic manufacture

"These vehicles are being brought in to test the market before local manufacture is looked at," says the spokesman

A Transvaal Isuzu dealer, Mr Eddie Krrel, says retailers' profit margins on the WFR were very slim at first to help the model establish a foothold in the market

But the WFR's success has permitted a R1 000 increase in the price since its July introduction and this has made margins healthier

197 2004
A lie, says
General Motors boss

Mail Correspondent

PORT ELIZABETH. — A statement made on SABC TV's "News Focus" on Thursday night has been described as "a total fabrication" by the assistant managing director of General Motors, Mr Rod Ironside.

Mr Ironside said yesterday that he wanted to "put straight" a statement made by a member of a panel during a discussion on American disinvestment, which implied that there was an agreement between General Motors and the SA Government.

He said the panelist's statement was a "blatant untruth".

"It was a fabrication hatched up in the United States by an anti-South African church group a few years ago and is devoid of any truth whatsoever," he said.

The statement was denied at the time by GM in the US.

Financial Reporter

IMPORT controls have been removed from another 90 items or groups of items, including tractors and new motor vehicles, with effect from January 1

The move is a further step in the Government's policy of opening up the South African market to make local industry more competitive

Through this policy, import controls are being phased out and replaced by a system of tariff protection

The latest move removes the limits on volume of goods that can be imported but does not affect existing import duties

Remaining import controls are being reviewed and will also be lifted where possible

According to the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, it is Government policy to protect South Africa's in-

Govt lifts controls on motor imports

ROOM 24/12/83

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dustries by means of tariff measures

He said "The development of a sound industrial sector is of the greatest importance for economic growth and creation of employment opportunities

"Continued industrial growth, however, requires that competitiveness be improved and the country's cost structures kept as low as possible

"The cost structure of the industrial sector has an effect on the country's general cost structure and could adversely affect the country's export competitiveness"

He said protection had to

be granted selectively for industries that were economically viable and utilised the country's resources efficiently

"It is also essential that protection be granted by way of modest import tariffs in order to ensure that the discipline of a market-related economy be maintained

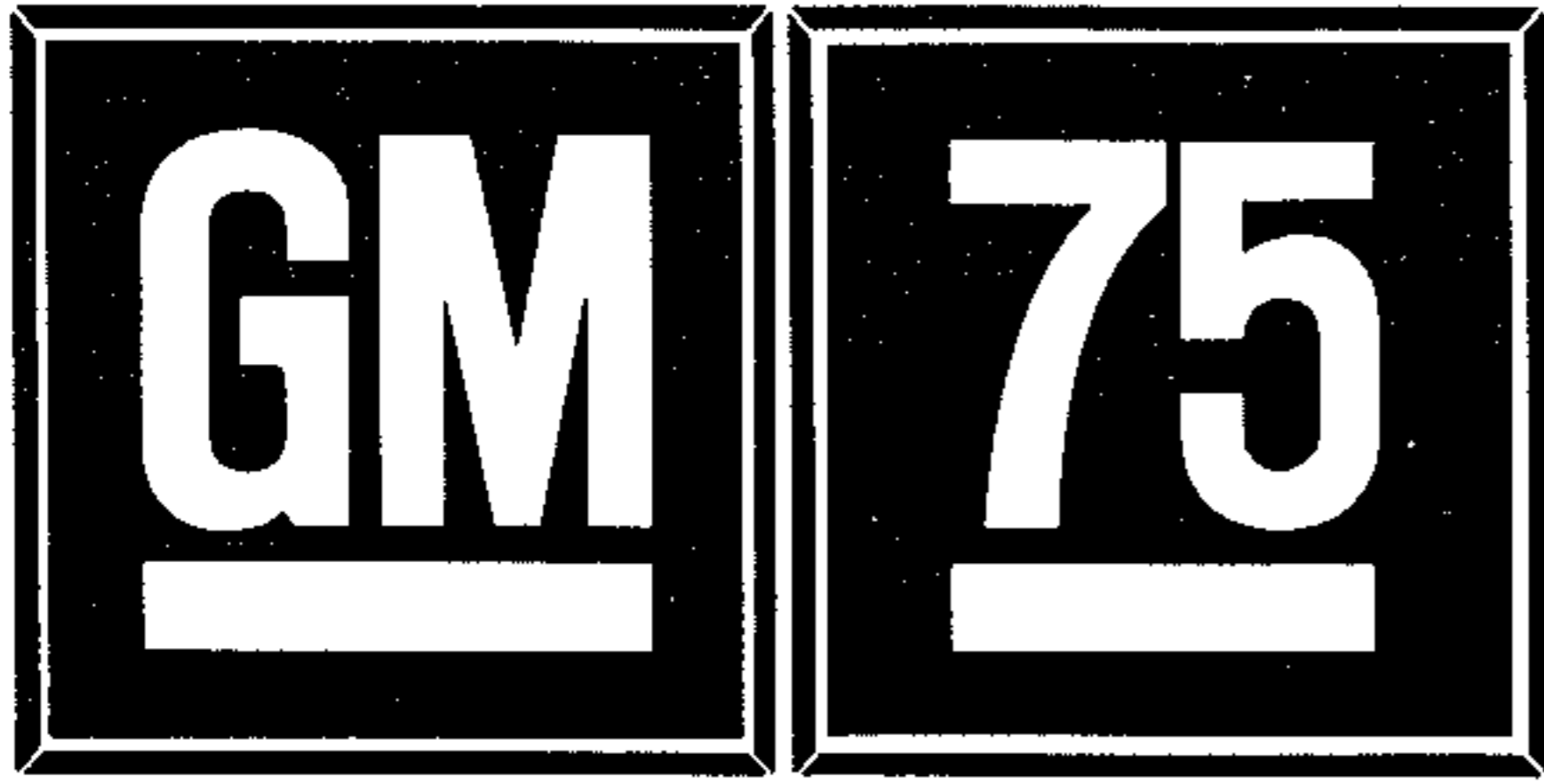
"It is obviously necessary that special protection be instituted against disruptive competition brought about by abnormal low prices

"There are circumstances peculiar to certain industrial sectors which may impede the phasing out of import controls

"In such cases, action is taken only with the the greatest circumspection and as far as possible by taking cognisance of the industry's problems

"The industry cannot be exposed to disruptive imports Constant care is taken to avoid this happening It has also become evident that the existing import control measures are not effective in preventing disruptive imports in cases where appropriate tariff protection has not been imposed as yet

"The regulations therefore are being suitably amended for more effective action," Dr De Villiers said

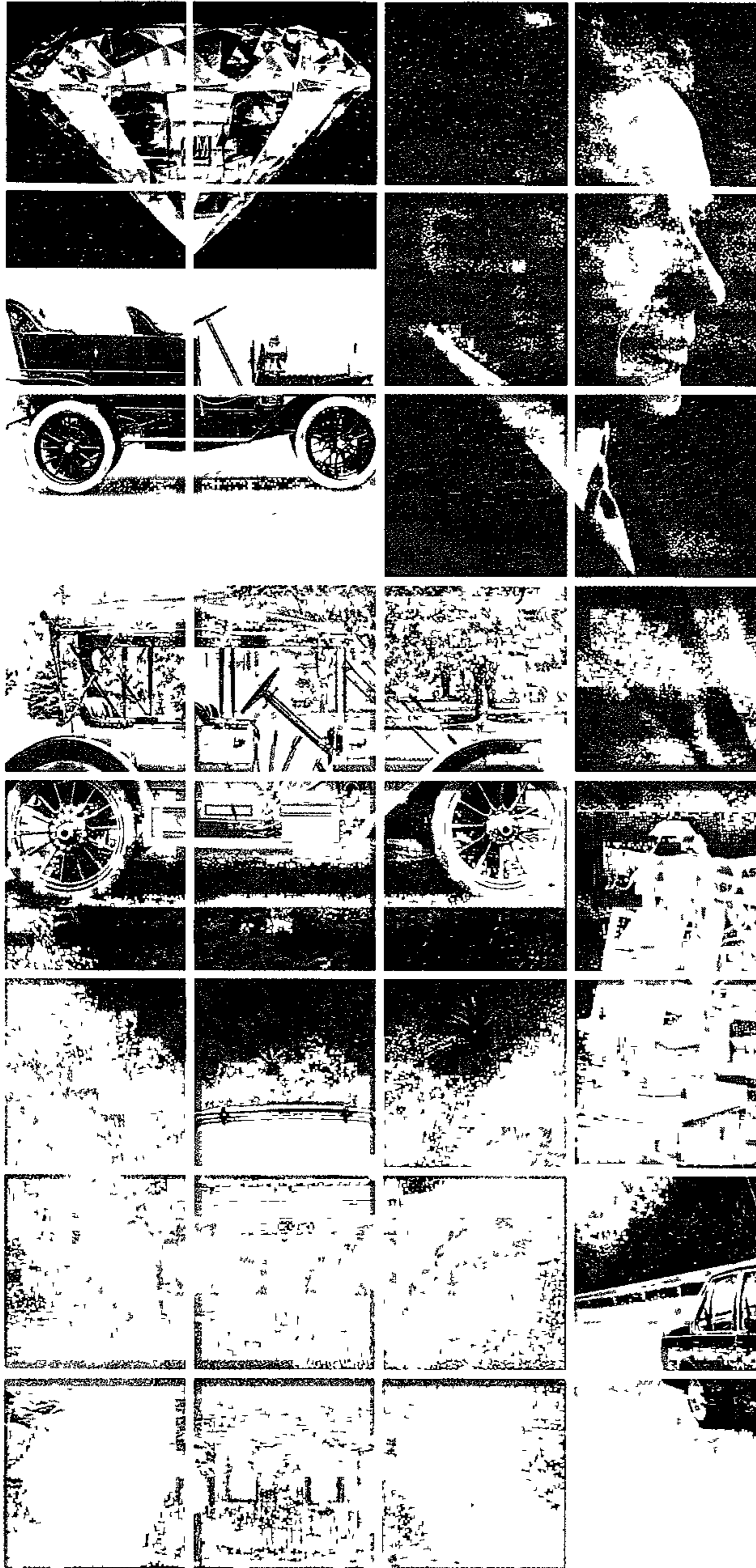


General Motors 75th Anniversary

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BUILDING ON 75 YEARS OF EXCELLENCE

NOVEMBER 1983

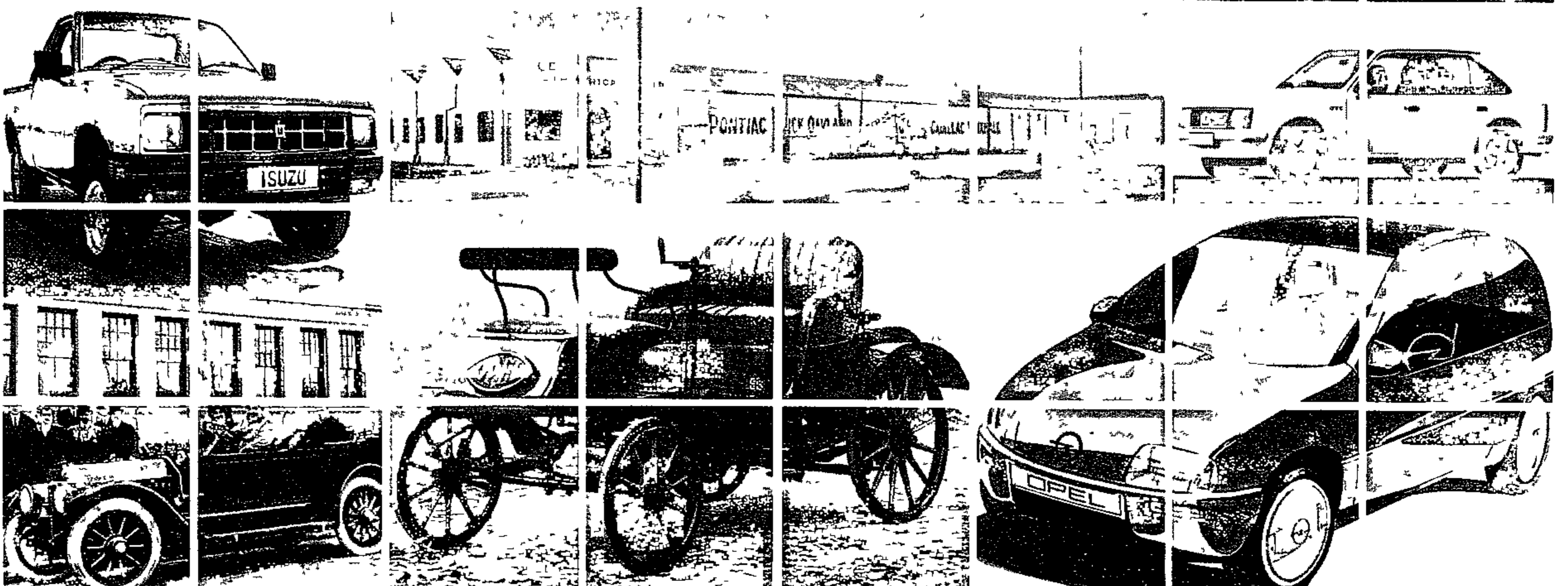


GM in South Africa

As part of the giant General Motors Corporation, the largest vehicle manufacturer in the world, General Motors South African celebrates the Corporation's 75th anniversary and its own 57th year in South Africa

Evident within the Corporation ranks, is a new determination — especially in South Africa. The South African subsidiary can draw on the worldwide technological resources of General Motors including Opel in Germany, Isuzu in Japan, Holden in Australia and also Suzuki in Japan.

The General Motors Corporation, founded on September 16, 1908, by William Durant, has a 20 per cent share of the world market — 30 000 vehicles are manufactured every workday by a workforce of 670 000 people in 40 countries



General Motors takes the road

The foundation of General Motors on September 16, 1908, drew little attention and success for the young concern was not predestined. Of the nearly 1000 companies that tried to build and sell motor vehicles prior to 1927, less than 200 continued in business long enough to even offer a commercially suitable vehicle.

Prior to the 1920's the companies that comprised the General Motors company were financially weak and operations were unco-ordinated. Then a new concept of management was forged and a new concept of product emerged and it was only then that GM began to prosper.

General Motors' sales for its first full fiscal year ending September, 1909, totaled 25 000 passenger cars and trucks — 19 per cent of total United States vehicle sales.

The nucleus of the fledgling of General Motors was the Buick Motor Car Company formed by David Buick in Detroit and later moved to the town of Flint, Michigan, where William Crapo Durant took control.

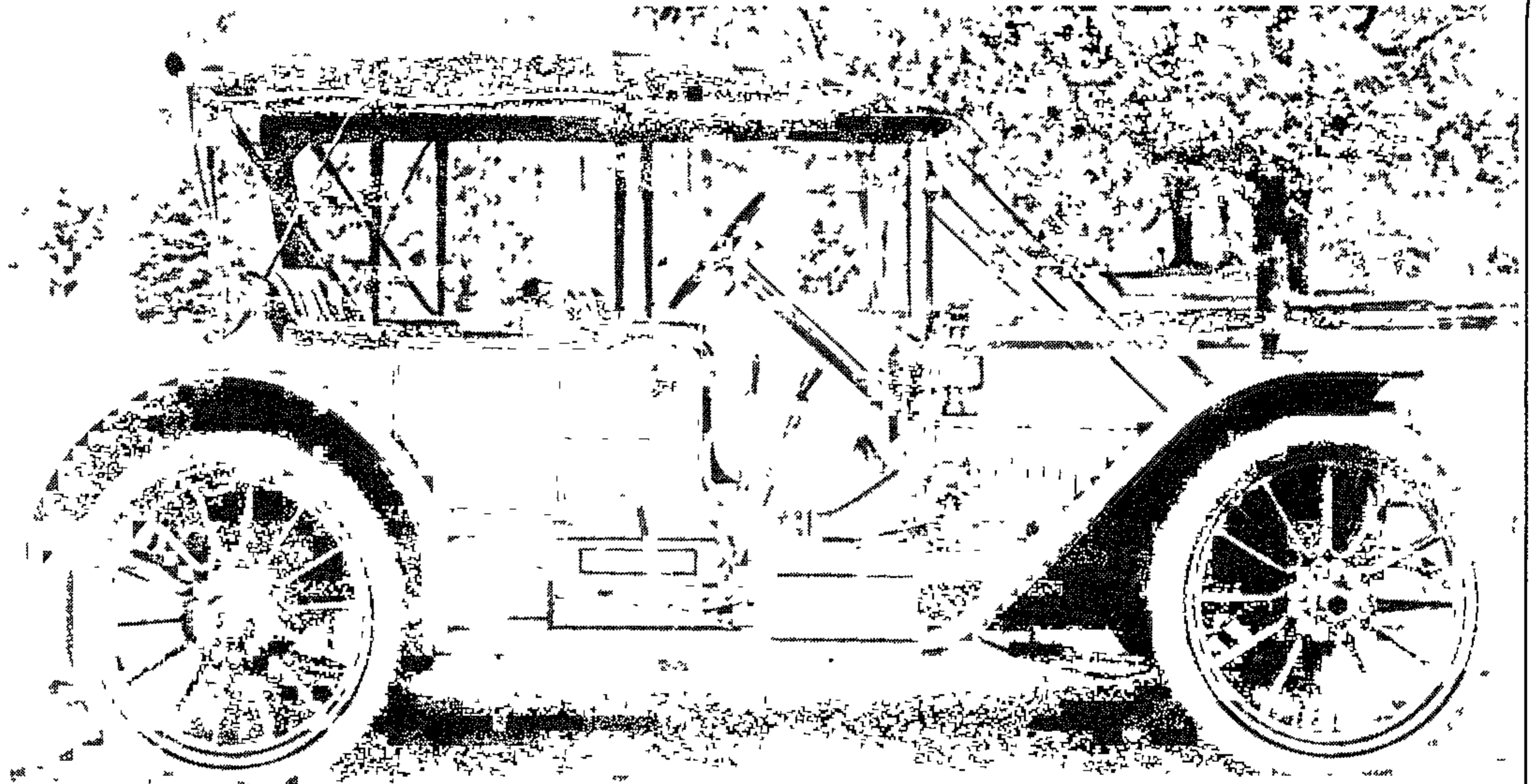
Early members of the infant GM family were Buick, Oldsmobile, Cadillac, Oakland (now Pontiac), Ewing, Marquette, Welch, Scripps-Booth, Sheridan, and Elmore, together with Rapid and Reliance trucks. GM's other U.S. division, Chevrolet, became part of the Corporation in 1918.

By 1920, more than 30 companies had been acquired by General Motors by either controlling part or all of the companies stock.

A testing laboratory had also been established to, according to the annual report of that year, "serve as an additional protection against costly factory mistakes and give the purchaser of every one of our machines an additional guarantee not merely for his comfort, but to assure his safety."

This notion of consulting, advising, fact finding and testing is the genesis of GM's present comprehensive staff organisation. Today it covers fields including, design, engineering, manufacturing, research, industrial relations, marketing, personnel administration and development, procurement, consumer relations and service, environmental activities, industry-government relations, public relations and finance.

The General Motors Company offi-



Started by Ransom E. Olds in Lansing, Michigan, in 1897, Oldsmobile is the oldest United States passenger car manufacturer. This touring car was one of 1145 automobiles sold by Oldsmobile in 1908 — the year that General Motors was founded.

cially became General Motors Corporation on October 13, 1916, when incorporation papers were filed in Delaware. By August 1, 1917, the new corporation had acquired all the stock of General Motors Company, which

was formally dissolved two days later. Durant had created an enterprise that in 1908 consisted of just one truly successful vehicle manufacturer (Buick) but it also contained the building blocks for the future to become a

multifaceted corporation.

However, by 1920, in the midst of a nationwide economic crisis, GM was on the verge of financial collapse. The crisis marked a turning point in General Motors history.

A new concept of management and products emerged while coordinated policy control replaced the undirected efforts of prior years.

As principal architect Alfred P. Sloan, took control and he was to guide General Motors from May 10, 1923, until April 2, 1956, first as president and then chairman.

Sloan not only succeeded in creating an organisation structure which saved General Motors, but also a management concept adopted by countless other businesses.

Fundamentally, the concept involves coordination of the enterprise under top management, direction of policy through top-level committees, and delegation of operation responsibility throughout the organisation. Within this framework, management staffs conduct analyses, advise policy committees and coordinate administration.

General Motors became an organisation of organisations, maintaining a balance between the individual and group management, preserving the advantages of each.

The new product concept evolved from the new management system which led to the recognition of the varied nature of the demand for motor vehicles — GM's new approach was "a car for every purse and purpose" and the continued improvement of all its vehicles.

By 1941, General Motors accounted for 44 per cent of total United States vehicle sales —

to page 3



The year is 1912 and Louis Chevrolet had completed two years of development work at the behest of W.C. Durant (standing far right, with derby). Here they admire the result — the first Chevrolet. At the wheel is Durant's son, Cliff, with his wife beside him. Chevrolet produced 2999 vehicles in Detroit in 1912.

GM & 3M...Leaders in their fields

THE Minnesota Mining and Manufacturing company was formed in the State of Minnesota, USA in 1902, a few years before General Motors, and its early development was closely linked with the Automotive Industry.

Coated Abrasives was 3M's only product line in the early years and the first significant development was a waterproof sanding sheet named "WET OR DRY", which eliminated the problem of dust associated with the automotive sanding systems in use at that time. Several years later when two-tone automobiles were introduced, 3M, who were by then firmly established with the Auto manufacturers of Detroit, saw the need for a more efficient system of masking vehicles whilst painting, and provided the answer with a conformable tape called "SCOTCH" Brand Masking Tape. This became the first in 3M's famous "SCOTCH" brand family of pressure sensitive adhesive

tapes.

For more than 25 years 3M South Africa has been a regular supplier to General Motors South African of abrasives, sealers, tapes, automotive decorative stripes, business equipment and a host of other products and has been the recipient, on more than one occasion, of General Motors Quality Awards.

3M is proud of the fact that, apart from being suppliers to this prestigious company, they are also very satisfied customers, with an impressive range of G.M. vehicles forming part of their fleet.

In congratulating General Motors South African and their Parent Company on their outstanding achievements during the past 75 years, 3M wishes to be associated with the fine philosophies, ethics and worthwhile aspirations which are so evident in General Motors' code of business.

GM engineering innovations 1901-1919

1901 — Speedometers appear first on Oldsmobiles.

1908 — Guide Lamp develops first electric headlamp.

1910 — Cadillac is the first manufacturer to offer closed bodies as standard equipment.

1911 — Cadillac introduces electric starter and generator-battery lighting system on 1912 models.

1912 — Oakland adopts first all-steel body.

1914 — Cadillac is first in U.S. to produce a V-type, wa-

ter-cooled 8-cylinder engine.

1915 — Tilt beam headlamps, operated by handle on dash, are introduced on Cadillac for improved nighttime visibility.

1919 — Buick and others begin to provide nighttime visibility of instruments on dash via indirect lighting.

Guide Lamp makes major advance in headlamp aiming by allowing lamp to be loosened, then swung to appropriate position and tightened in place.

Acknowledgements "General Motors 75th Anniversary" has been created and produced by MRK Publications. Cover designed by Trio Advertising P.E. Material supplied by General Motors Public Affairs.

from page 2

compared with 12 per cent in 1921

Then arrived the 50's — the decade of celebrations following the Second World War. The decade called for all-new cars — styling to capture the pent-up wartime desire for change. The trend was set for ingenious innovations related to engineering feats.

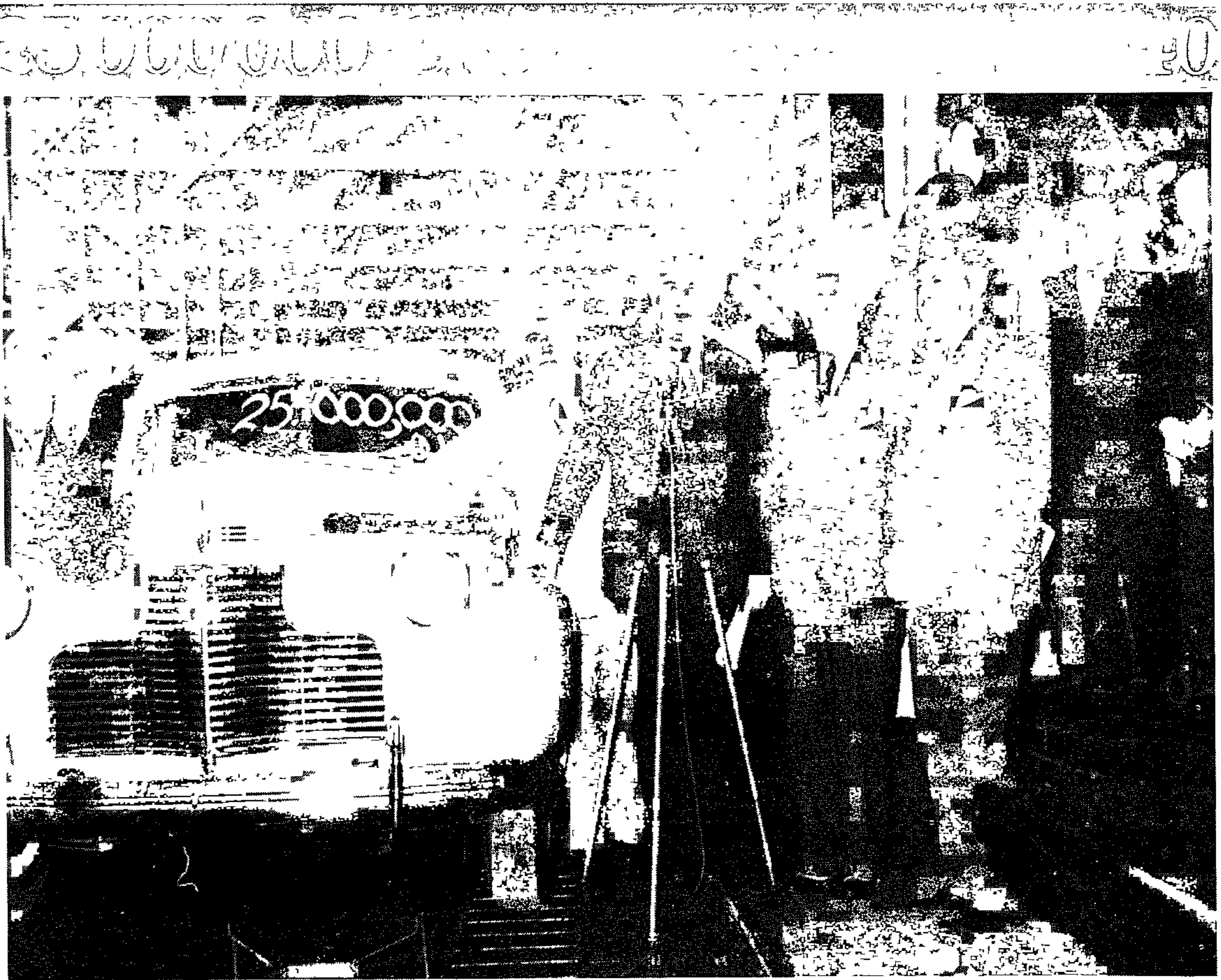
The early 1970's saw GM embark on an unprecedented program to redesign its entire vehicle line-up for improved fuel economy. The then GM Chairman — Thomas A. Murphy — called it "the most comprehensive, ambitious, far-reaching, and costly programme of its kind in the history of the industry."

At the beginning of this decade GM launched a programme aimed at redesigning nearly all its cars for a second time and modernising the plant that produces them — expected cost of the four year programme is some R45 billion.

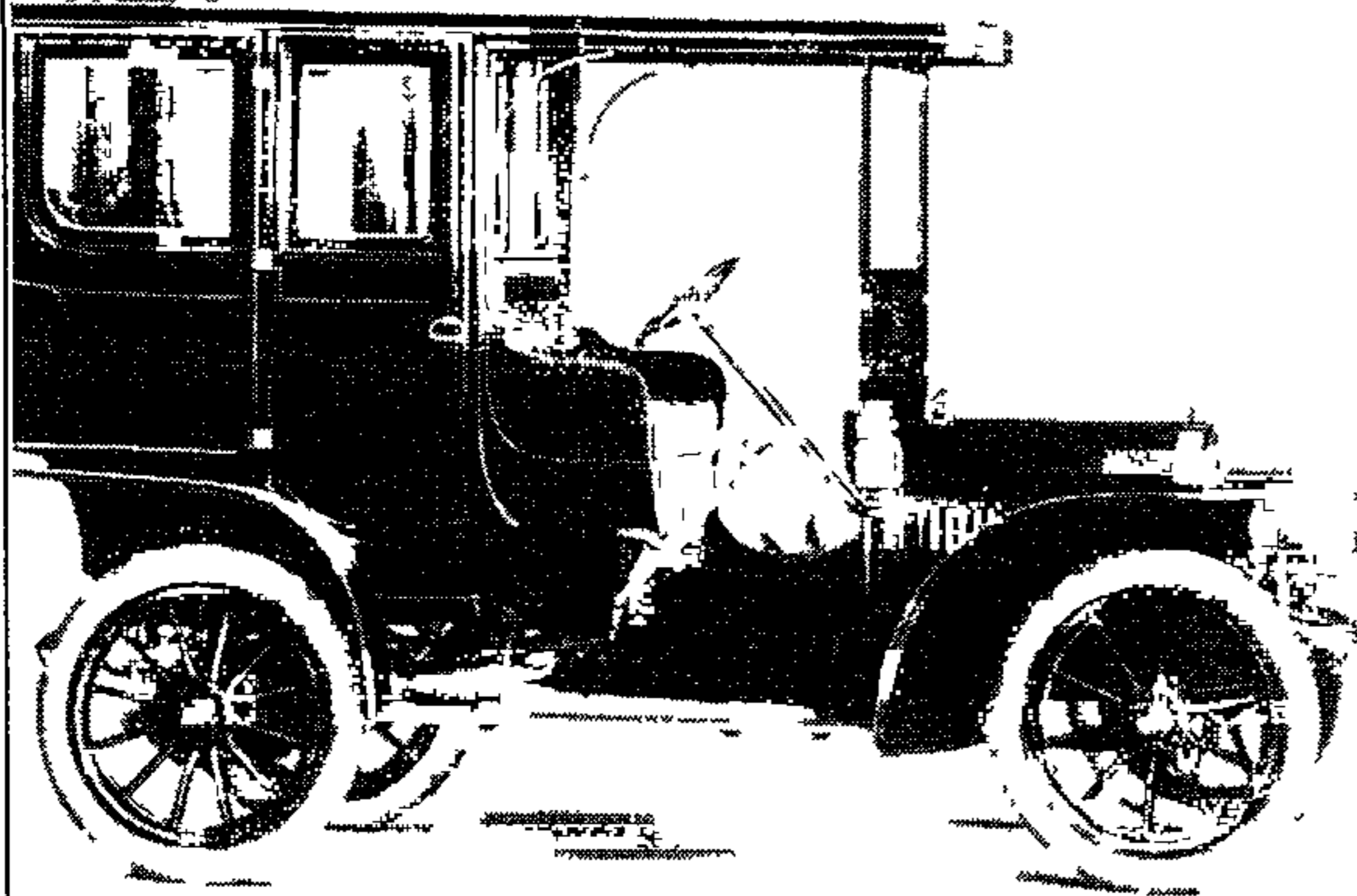
This unprecedented capital spending programme opened the way for dramatic technological progress throughout the General Motors Corporation.

Around the world and also evident in South Africa a new determination is apparent amongst General Motors employees.

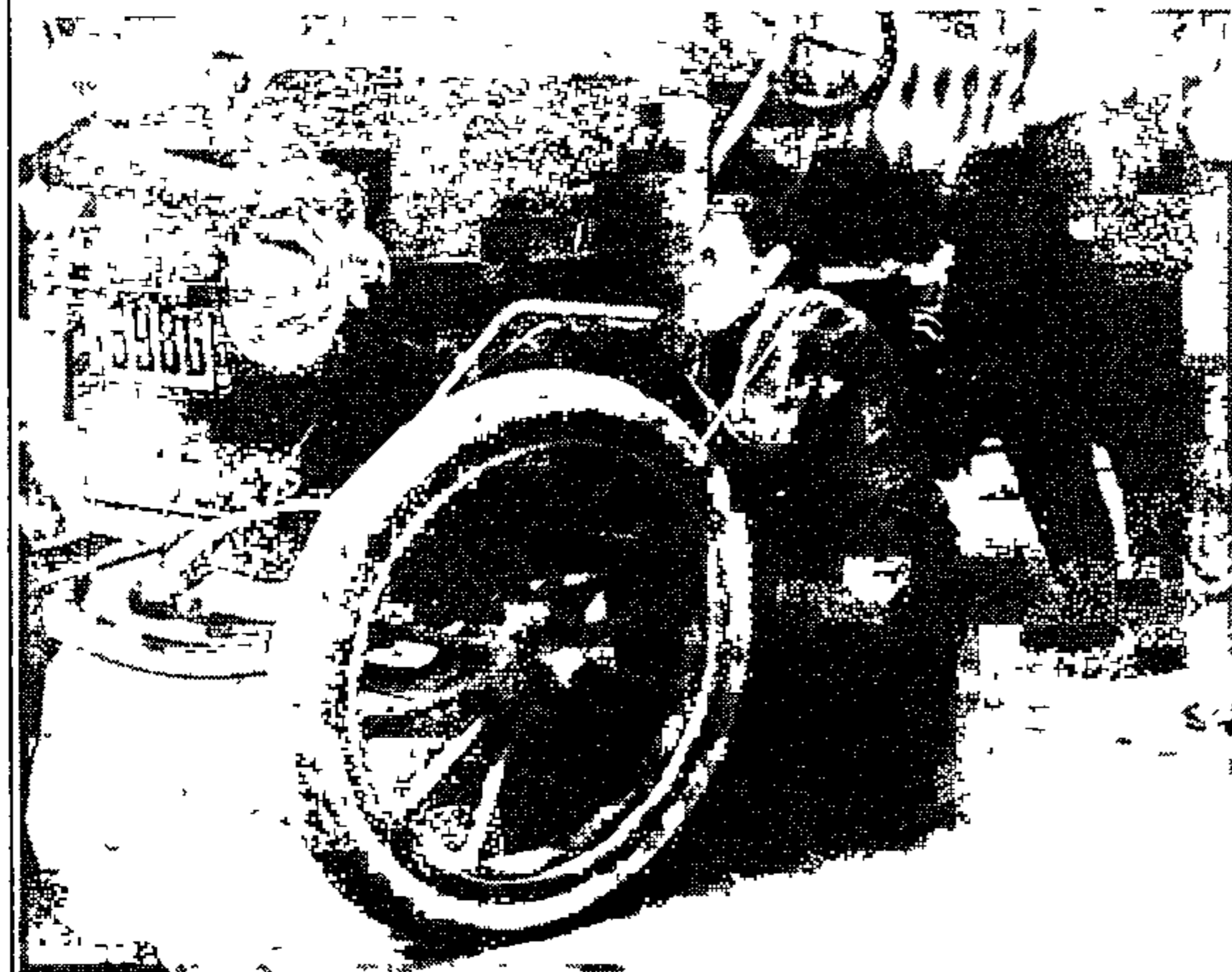
This new determination is bound to make a major impression on new vehicle designs and already evident on vehicle engineering and technology.



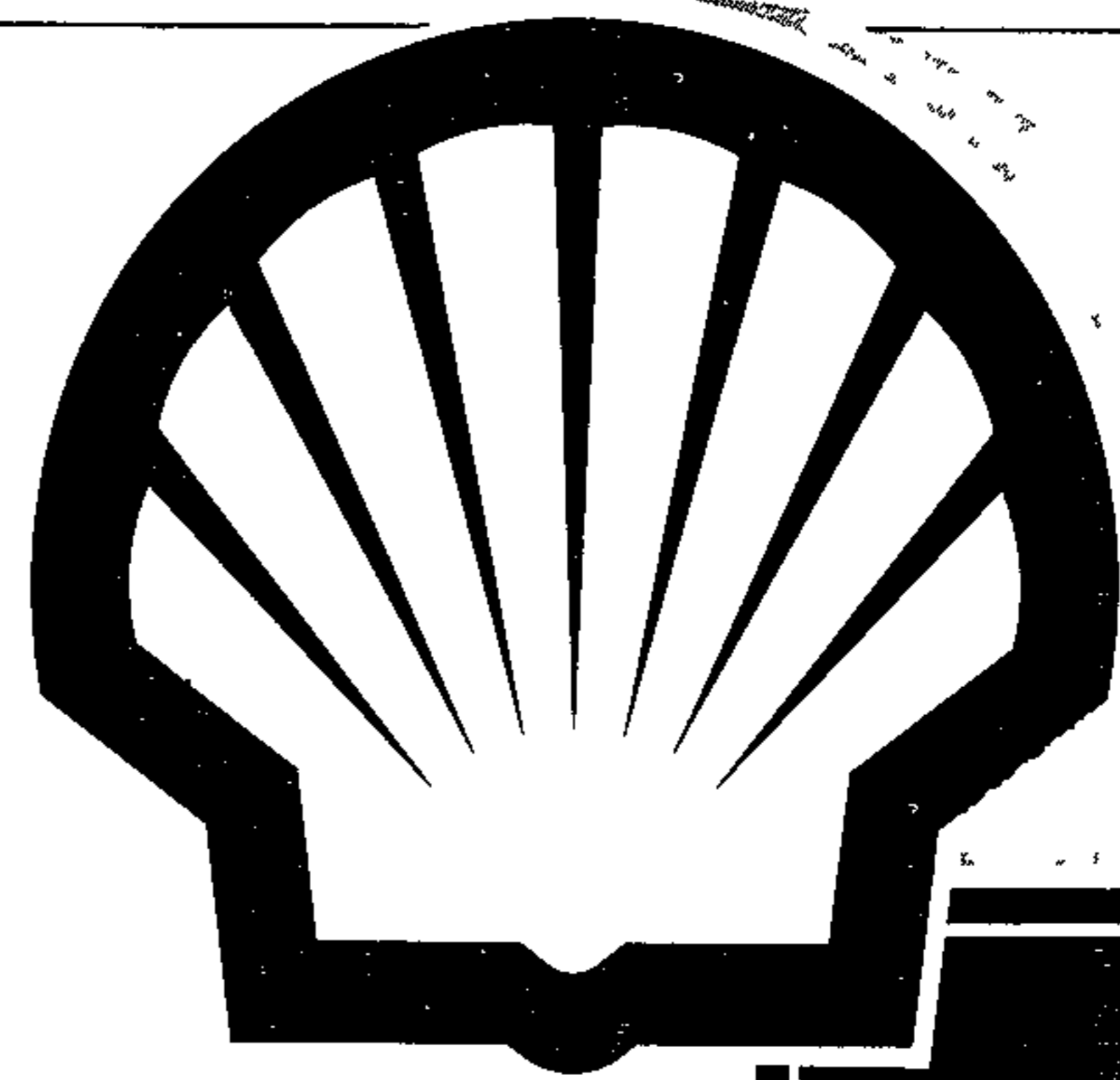
A close-up of GM's 25 000 000th production car, at the Chevrolet Assembly plant in Flint Michigan on January 11, 1940. Left to right, (now all deceased) M E Coyle, general manager of Chevrolet at the time, William S Knudsen, then president of General Motors, Alfred P Sloan, Jr, then Chairman of the board of GM, and C E Wilson, then executive vice president of GM, and later president.



Cadillac — Named after a French explorer who established a settlement in Detroit 200 years earlier, Cadillac was begun by auto pioneer, Henry Leland in Detroit in 1902. This is the 1908 Cadillac — the year General Motors was formed.



Charles F. Kettering, inventor of the self-starter and many other developments in the automobile, is shown here making adjustments during tests of the self-starter. From Mr Kettering's early DELCO Laboratories grew GM's 1958 Research work at the new GM Technical Centre.



GM

75

HIGH WAY CODE

We've been on the road a long time. And, we've seen a lot of change. From the grand old veteran dust-raisers to today's sleekly efficient, computer-designed chariots. That is why we are keenly appreciative of the pace setters who have helped to make twentieth century travel the wonder it is. And, in so doing have won the trust and support of the nation. We congratulate one of the greats of the road on 75 years of achievement. Well done GM!



Moving smoothly into the future. **Shell**

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1904... part of foundation laid

Buick Motor Division — the descendant of a fledgling firm which was destined to be described "the cornerstone of the General Motors Corporation" — had its unglamorous beginnings in 1903 when a group of businessmen associated with the Flint Wagon Works borrowed 10 000 dollars and brought the financially ailing Buick Motor Company in Detroit and moved it to Flint.

The story of the Buick automobile began when David Dunbar Buick, a successful plumber, inventor and manufacturer, sold the prosperous plumbing fixture business he and William Sherwood had co-owned, and turned his attention to experimenting with the internal combustion engine. But although Buick attempted to secure capital by beginning the manufacture of a two cylinder head-in valve engine he had developed, his firm only existed a few months. His sputtering financial predicament at this time can be blamed on the fact that he was a man more interested in development than production.

And yet the deal which was struck between the Flint Wagon Works headed by James H. Whiting, and the Briscoe Brothers — Frank and Benjamin Jr — who had taken over management of the crippled Buick Co., after pumping it with capital, did by no means lead to the immediate manufacture of automobiles.

Whiting, a leading carriage and wagon builder in Flint, was in no hurry to build automobiles and instead made it clear that the company intended only to build and market stationary engines.

However, in the following year, Whiting gave in to much pressure from his lieutenants and authorised the development of a prototype car. It was in early July that the first Flint Buick car performed a test run which generated modest excitement in the local Press and sparked the production of Buick cars. But Whiting was far from happy with the company's future.

He, in fact, had a lot to worry about. Buick Motor was deep in debt to several Flint Banks. The company couldn't meet its orders for farm engines and the Association of Licenced Automobile Manufacturers — a creation of the Selden Patent — threatened to stop production of the Buick automobile as they had with the Hardy Flint Roadster.

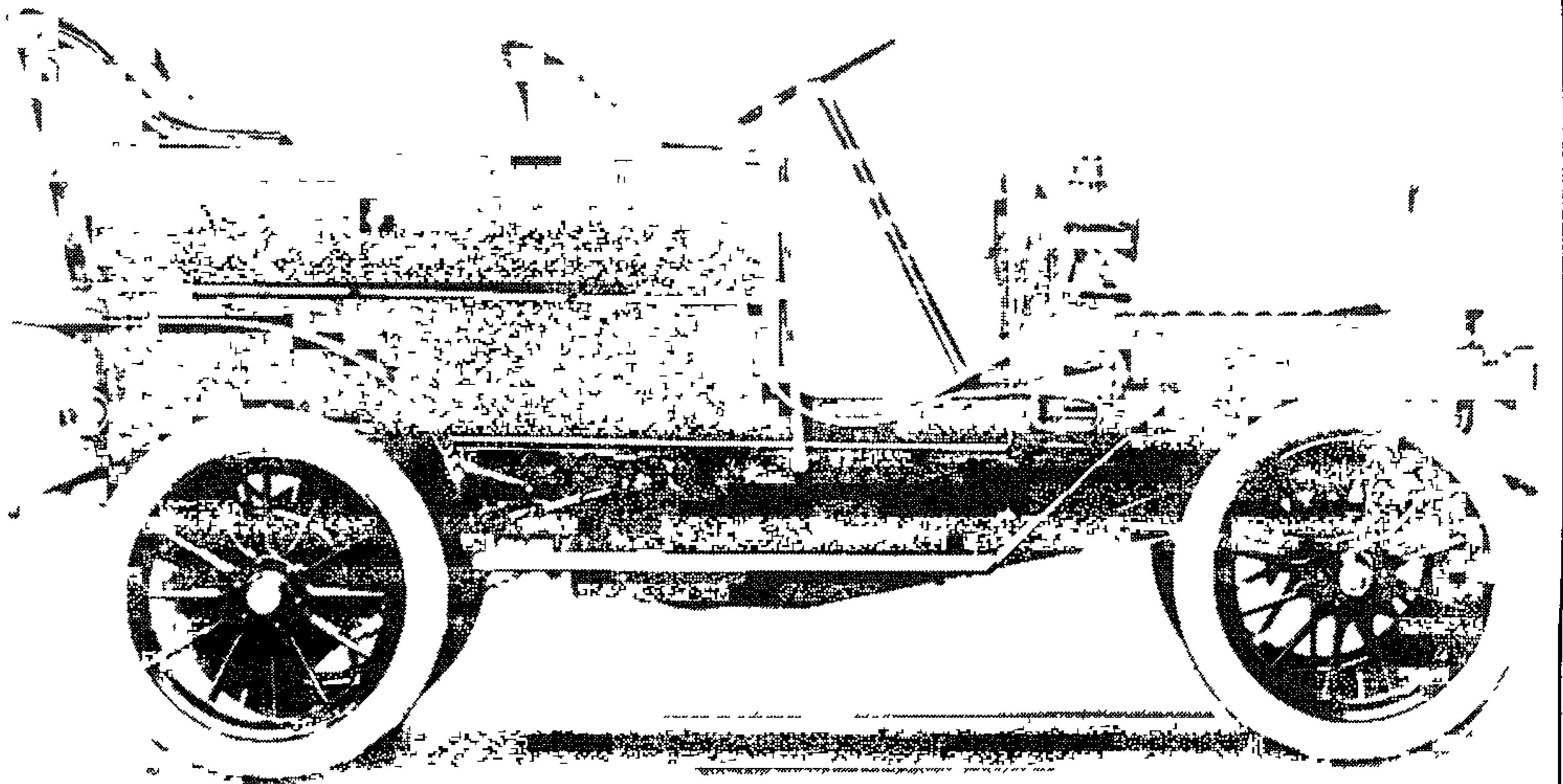
It was on November 1, 1904, when William Crapo Durant — a distinguished Flint businessman who, with his partner J. Dallas Dort had established a flourishing carriage building enterprise — completed an agreement with the Buick Motor Co. and took over the reins of power of the troubled business. Capital stock was immediately increased from 75 000 dollars to 30 000 dollars. In less than a year that capital stock would climb to 1,7 00 000 dollars.

Just two months later the Model C from the Buick Co. was put on display at the New York Automobile Show. The production of this car had followed a period of intense activity attempting to achieve the goal Durant had set when he said to a friend "I am going to be one of the big motor car manufacturers of this country."

At the show itself, Durant — ever the super salesman — secured 1108 orders for the Model C — more than his plant was capable of producing in a year.

A precedent had been set and, working at full capacity, the Buick factory manufactured 750 Model C's during 1905.

This figure was almost doubled in 1906 and, in 1907, 4461 cars came out of the Buick factory. The next year saw production soar to 8 487 — and with that, Buick established itself as the biggest vehicle



manufacturer in the United States.

During this time, Durant had persuaded the New York axle-manufacturing firm, Weston-Mott, to relocate their company beside the new Buick plant in Flint. This had hardly been done when the W.F. Stewart Co. followed suit and built their largest body plant near the Buick Co. Already close by were the Imperial Wheel Works, Flint Axle Works, Flint Varnish and Colour Works and J.B. Armstrong Spring Mfg Co. All became automobile parts producers and were absorbed by Buick. Durant had in fact brought all his major suppliers to his very doorstep.

The faltering company of four years earlier had come of age. And was now gearing itself for even greater expansion.

An attempt by Durant to merge the four leading vehicle manufacturers — Ford, Reo, Maxwell-Briscoe and Buick — came to nought and on September 16, 1908, the man who injected success into Buick Co. incorporated General Motors Company in New Jersey.

It was a day which few could have imagined would be repeatedly saluted in decades to come. It was in fact General Motors' "birthday". And the beginning of a Legend.

Armstrong

Congratulations to General Motors on 75 years of operation. During this period their products have gained an enviable reputation which augurs well for their future success.

For over twenty years now Armstrong S.A. has enjoyed a close working relationship with General Motors S.A. Initially this involved the supply of telescopic shock absorbers, but from 1977 this has also included the supply of Macpherson Struts.

Currently Armstrong supply complete Strut Assemblies for the Record, Commodore, Senator and Ascona rangers as well as strut cartridges for the Kadett range. General Motors also source a significant share of their telescopic shock absorber requirements from Armstrong.

Through continued research and development Armstrong are in a position to meet the ever changing and demanding needs of General Motors and the motor industry in general.

The wheeler dealer



William Durant

William Crapo (Billy) Durant was a born wheeler dealer — a man of boundless energy who built General Motors, lost it, won it again and then finally lost it again. He wound up running a bowling alley in Flint.

Born in 1861 in Boston his family moved to Flint when he was 11 years old. His father became an alcoholic drifter and Billy was brought up by his mother, the daughter of the Governor

of the State of Michigan.

After leaving high school he had a variety of jobs, first as a clerk in his grandfathers lumberyard, then in a drug store and also as a travelling salesman.

In 1886, he and J. Dallas Dort founded the Durant Dort Carriage Company which by 1904 had become the largest manufacturer of horse-drawn carriages in the U.S.A.

Durant soon recognised the threat of the horseless carriage and a drive in David Dunbar Buick's automobile launched him into the automotive business and eventually the formation of General Motors in 1908.

Durant's magnetic aura of promise beckoned many and founded an empire. Within a few months of founding General Motors, Durant, — using the profits Buick was generating — bought Oldsmobile in Lansing, Cadillac in Detroit, Oakland (later Pontiac), and many component manufacturers. Thus, in a remarkably short time, Durant had brought into the swelling GM fold, all the automobile manufacturers — except Chevrolet which he had not yet founded — which comprise the General Motors of today.

It was this horizontal expansion which Durant devoted his energy to and by so doing gave GM the ability to compete on a variety of fronts in a very young but fast growing automobile industry.

It is significant that a man who was not an inventor, mechanic or engineer should found the largest manufacturing firm in the world.

Future concepts nearing reality

Research and development of future vehicle concepts has always and continues to play an extremely important role in the General Motors Corporation.

Innovative technology led to the company making major strides towards designing the ultimate in efficient transport during recent times. The latter is reflected in the 'Aero 2002', the 'Lean Machine' and the 'Questor'.

The Aero 2002, a four-passenger future concept proposal has a drag coefficient of 0.14 and would require only 2.1 horsepower to overcome wind resistance at 80 km/h.

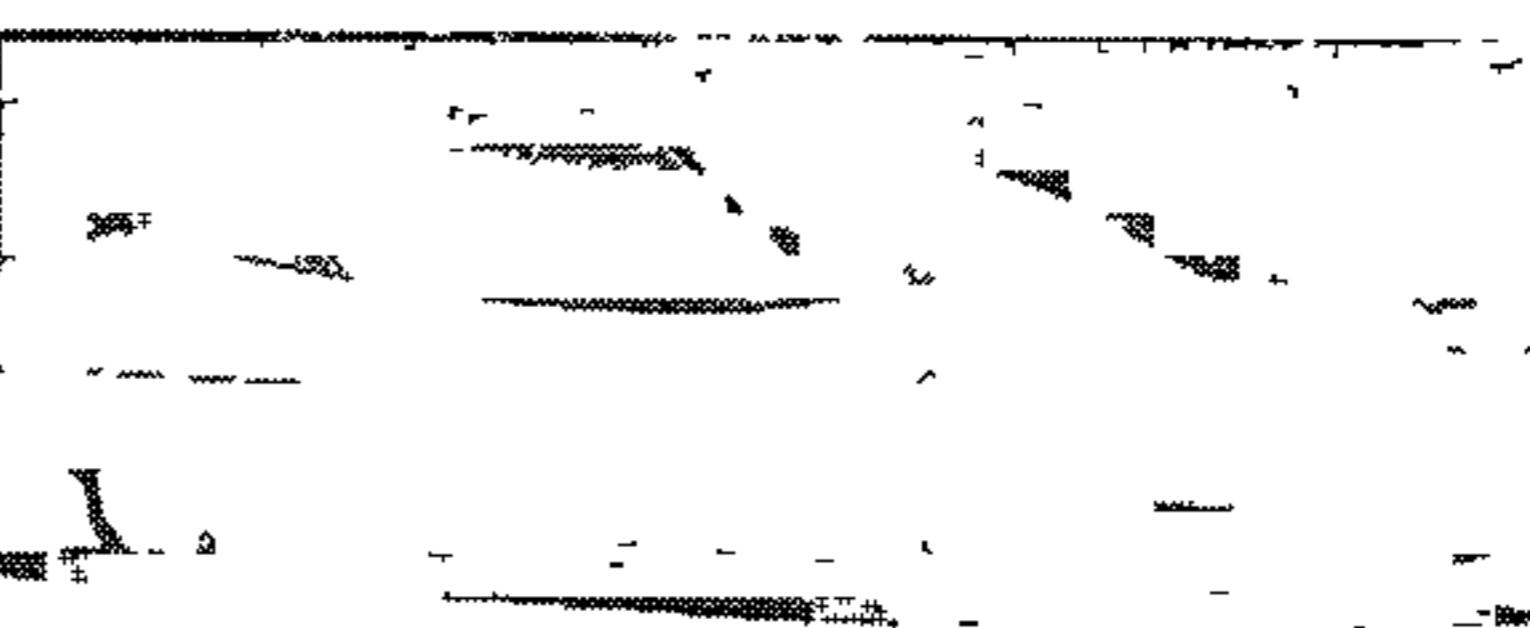
The Lean Machine, named for its slender looks and tilting capabilities, is similar to a motorcycle only in size and weight. It accelerated from a standstill to just below 100 km/h in 7 seconds.



The Lean Machine

Using 14 micro-computers, the Questor is a test bed for innovative ideas in electronics that will come to life in the cars of tomorrow.

Among the Questor's many electronic features are a map and navigation system, theft deterrent system, voice-actuated radio-telephone, and TV rear-view mirror system.

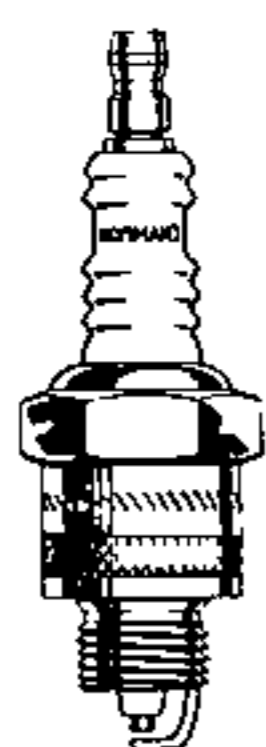


The Aero 2002

While none of these vehicles will show up in dealer showrooms, some of the advanced technology they embody will be part of tomorrow's vehicles from General Motors.

CHAMPION SPARK PLUG CO OF SOUTH AFRICA (PTY) LTD

are proud to be suppliers to General Motors Corporation and congratulate them on their 75th Anniversary.



(JWT) 54075

Rennies — fast and efficient

"Thomas Cook Rennies Travel congratulate the General Motors Corporation on their 75th anniversary and General Motor South African on their 57th anniversary in South Africa."

Mr Bernard Whale, Regional Manager of Thomas Cook Rennies Travel, says that GMSA drawing on worldwide technological resources, continually send employees around the world to avail themselves of the latest engineering advances. The latter to ensure that the highest possible standard of vehicle engineering is maintained in South Africa.

An integral part of worldwide sourcing is travel and with GM facilities in some 40 countries, a fast efficient service is necessary.

Thomas Cook Rennies Travel pride themselves on providing this efficient service, be it for GM dealers or individuals.

"Many people have worked hard in providing a good service and with the GM and Thomas Cook Rennies Travel association going back some 30 years, thousands of trips, within South Africa and abroad have been arranged. With the experience gained, we continually try to improve our service." Mr Whale says

Gabriel Supplies GM for 20 years

Since Gabriel commenced production in South Africa in 1963, it has supplied original equipment to General Motors.

Now the largest shockabsorber manufacturer in the country, Gabriel has maintained close ties with General Motors, an association which strengthened even further when Gabriel began supplying a full range of branded shockabsorbers to the Ac-Delco division of GM.

Today Gabriel is by far the leading supplier in replacement market, having more than doubled its share over the past 20 years.

Among the reasons for Gabriel's success in the replacement market are its insistence on designing products to suit local

conditions, steadily increased guarantee periods coupled with realistic prices and the application of international technology made available through Gabriel's overseas sister companies.

Manufactured in a modern factory where prototypes are assembled, tested, retested, and then tested yet again by qualified engineers under both laboratory and actual operating conditions, Gabriel shockabsorbers have gained the reputation for uncompromising quality, advanced design and reliable performance.

Smiths heats and ventilates General Motors

Smiths Association with General Motors has extended over several decades, in particular as suppliers of heaters and ventilating systems for Vauxhall cars and Bedford trucks in England

Production of heaters was commenced in South Africa in 1967, but the first major contract for heaters for GM in this country was on the Kadett introduction in 1980. Subsequently when the Ascona was introduced in 1982, Smiths were favoured with the contract for the excellent Opel designed heating and ventilating system incorporated in this popular car range.

To support our heater business, the local production of blower and fan motors for heating and ventilating systems was started in 1969, to the designs developed by Smiths Industries Limited in the United Kingdom. Since that time, production of wiper motors, engine cooling fan motors, rear screen wiper motors and horns has progressively been undertaken.

The plastics division was set up in 1977 and now supplies a wide range of technical plastic injection mouldings to the industry.

Heater and blower casings, radiator grills, air cleaner housings, decorated motifs, cooling fans and shrouds, tail lights, wheel trims and reflectors are manufactured for General Motors.

Smiths disc and spiral type horns are used on the majority of GM vehicles.

In addition to the pro-

ducts supplied to GM for original equipment, a range of air conditioning units is available for Kadett, Ascona and Rekord, for fitment in the aftermarket. Other kits for installation of electric window winders, cruise controls, burglar alarms etc, are also available.

The engineering facility at our Pinetown Headquarters is responsible for the design, development and proving of our local range of products. Routine testing of products is undertaken by the quality control section. The General Motors quality award for excellence has been received each year since 1975.

Today's motor vehicles are becoming increasingly sophisticated and our operation locally is backed up by the technical resources of our international parent company, which was a pioneer in the British car component industry and has major involvement in the aero space industry in Europe and USA.

In support of this, we hold technical licences from other major companies in Europe and Japan, who are involved in the design and development of motor vehicle equipment.

Smiths is privileged to be a major supplier to GMSA and looks forward to increasing involvement in their range of 'world cars'.

GM - Titan a proud association

Titan Industrial Corporation is one of South Africa's foremost producers of steel based products. In addition, the group is very active in the international market, trading as both exporter and importer.

Made up of many companies several of which have been in existence for over 30 years, Titan is today, the Republic's leading supplier of bright steel shafting and a major producer of chain and strata control products. Their service is supported by a nationwide network of branches and stockists.

The company is wholly-owned by Metkor Investments which is quoted on the Johannesburg Stock Exchange.

The Titan Operations are dynamic, fast growing and the group's great strengths are its technical expertise, modern machinery, constant liaison with international companies and a stringent quality assurance programme enabling the group to meet

many standard and non-standard specifications world-wide. Growing local and international demand has also served to prove that Titan's marketing policy is extremely competitive.

An indication of Titan's technical expertise is the fact that some modifications carried out on machinery by the company have now been

introduced as standard features by equipment manufacturers abroad.

The team behind this success is highly innovative and musters a wealth of experience gained from practical management and engineering backgrounds in steel based industries.

Its flexibility in meeting special requests and adherence to high standards have reinforced Ti-

tan's position as a leading South African manufacturer.

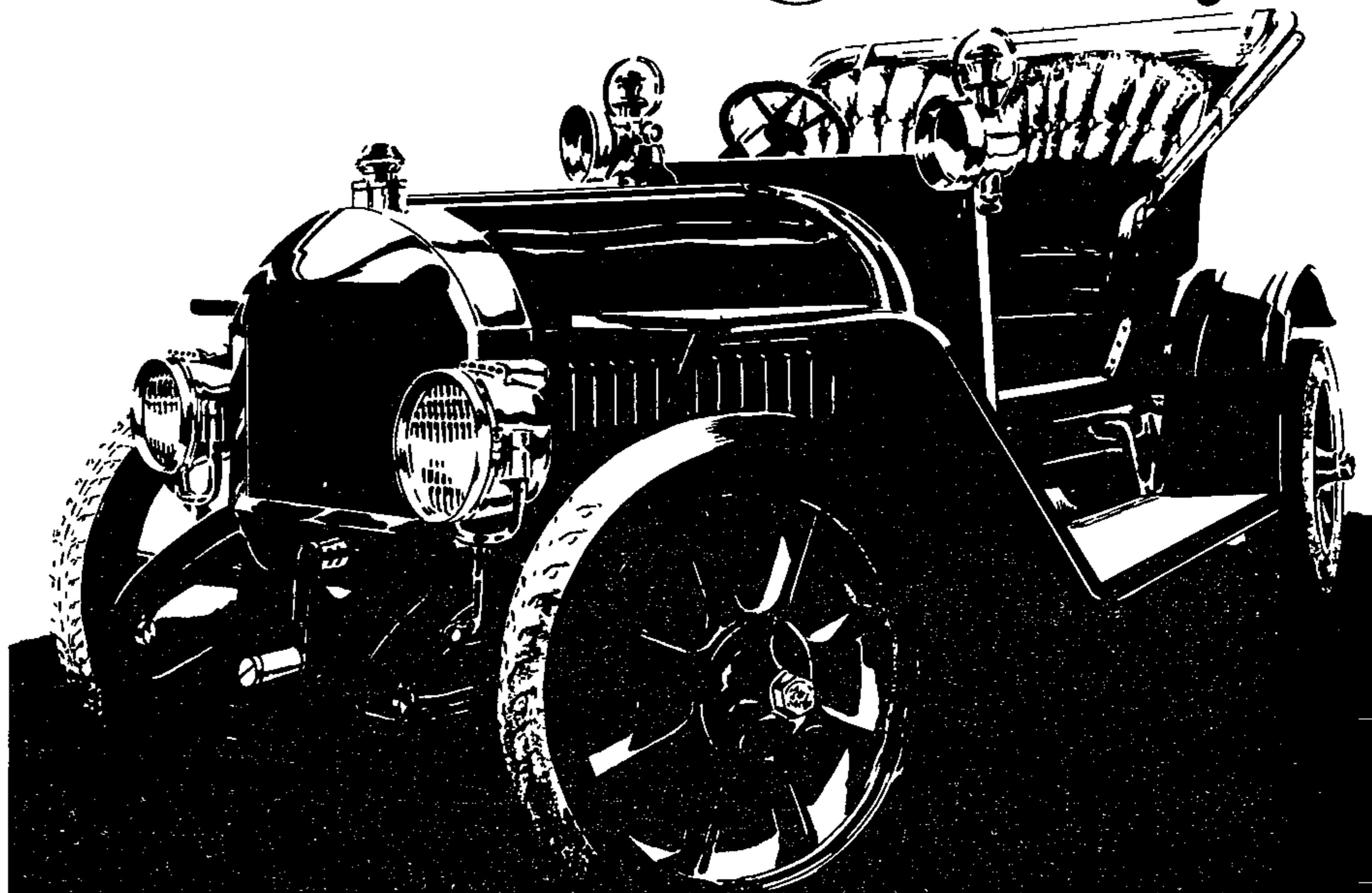
Titan's active association with General Motors is relatively recent and dates back to June 1978 when Titan believed they had lifted the standard of South African peeled bar to a level acceptable for automotive springs and similar critical applications.

After some consider-

able simulated fatigue tests by General Motors in S.A. and in Germany the standard was accepted and has since been adopted by other leading automotive manufacturers.

Titan are justifiably proud to be associated with, and a major supplier to, General Motors - this very important milestone in their history.

General Motors 1908 — 1983 Still making history



Congratulations you've travelled a long road!

We at Beier Plastics offer our heartiest congratulations to all at General Motors on the celebration of your Diamond Jubilee.

Here's to another 75 vintage years — and to the continuation of our excellent relationship; long may it continue to flourish!



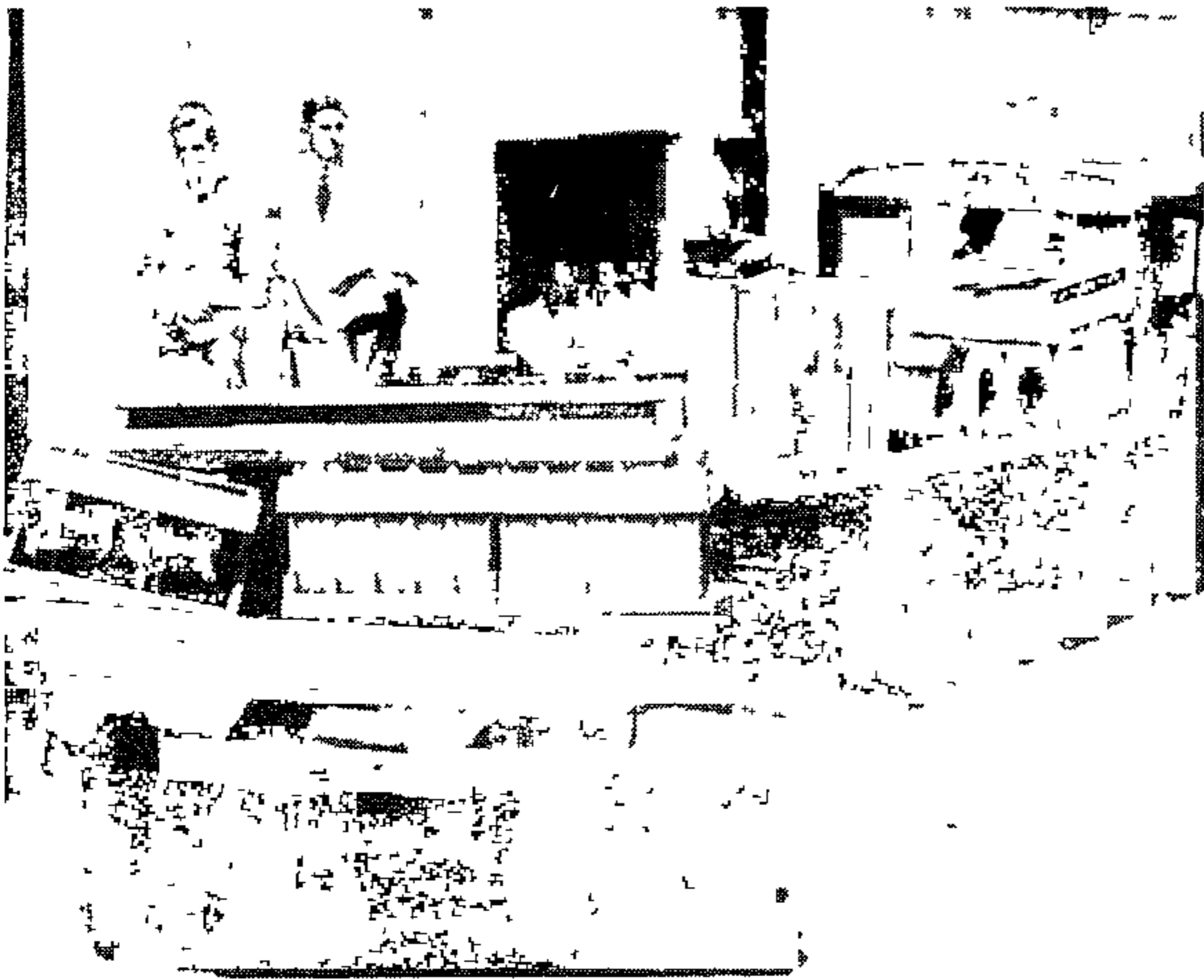
BEIER PLASTICS

Suppliers of PVC trim material to General Motors

General Motors in South Africa...

The South African operation of General Motors can be traced back to 1911 when the GM Export Company was formed to explore the worldwide vehicle market.

Well before the establishment of General Motors South African in 1926 Oldsmobile and Buicks were sold. In fact, the latter were being sold even before the formation of General Motors. Oldsmobile and Buick were the forerunners of what would later become the General Motors Corporation.



The almost forgotten days — components being delivered to General Motors and photographers still drew a lot of attention

During May, 1915, William U. Merhema left New York to visit South Africa as representative of the Export Company. He had an eventful trip — being passenger on the ill-fated Lusitania which was torpedoed by a submarine — and eventually arrived in Cape Town to set up office.

Within two years he had established firm and good relationships with 'GM dealers'. During December, 1917, he attended what was probably the first 'dealer meeting' in South Africa.

Then arrived Nathaniel Currier Tuxbury — or Tux as he was generally known — who was instrumental in the formation of General Motors South African.

Representing the Export Company, he arrived in South Africa during 1918. He was to be dubbed as the 'Father of the Motor Industry' in the country and also became the longest serving managing director of General Motors South African.

His first stay in the country ended in October 1919, but he returned in 1926 and was GM MD until 1947.

General Motors South African (Pty) Ltd was formally registered on the 20th of February, 1926 with a capital of 10 000 pounds. Production began in an old wool store in Darling Street, Port Elizabeth.

Initial production was around eleven cars a day — all Chevrolets, and in October, 1926 the 1 000th Chevrolet had been assembled. The demand for the

vehicles encouraged GMSA management and a new factory was built in Kempston Road. The factory was completed in 1929 — the same year of the Wall Street crash. Despite the depression Oldsmobile, Pontiac, Buick and Chevrolet vehicles continued to be assembled at a brisk pace.

Total production in 1929 reached 11 457 units, in 1930 the figure dropped to 5 678 units and a year later the figure was 2 100 units.

A production record was set in 1938 when 2795 vehicles left the plant in only 23 working days.

The Second World War saw GM going into full war production (even Ford pick-ups were built at the factory) and an assortment of items were produced, including buoyancy drums, petrol tank caps, ammunition boxes, torpedo carriers and camp chairs.

On October 19, 1946, the first Chevrolet passenger cars, since September 1942, came off the assembly line together with Buicks, Oldsmobiles, Pontiacs.

Postwar vehicle demand resulted in a new 34 000 sq meter plant completed in 1948 and the old assembly plant was converted into a manufacturing hall. Delco battery, Fridgare refrigerators, leaf spring, muffler and Frigidare stove production was started during the following four years.

The Opel Rekord appeared in 1955 — the vehicle proved so popular that with minor changes production of it was destined to run for 16 years. Also launched in 1955 was the Opel Kapitän and Vauxhall Velox followed by the Vauxhall Victor in 1957 and the Cresta in 1958.

The Fridgare operation was discontinued in 1963 — 100 000 refrigerators had been manufactured. The same year saw the introduction of the Opel Kadett, assembled through until 1974 and only reappeared in 1980.

During March 1965 GM's R21 million engine plant went into production followed by a R6 million investment to improving facilities at the Kempston Road factory.

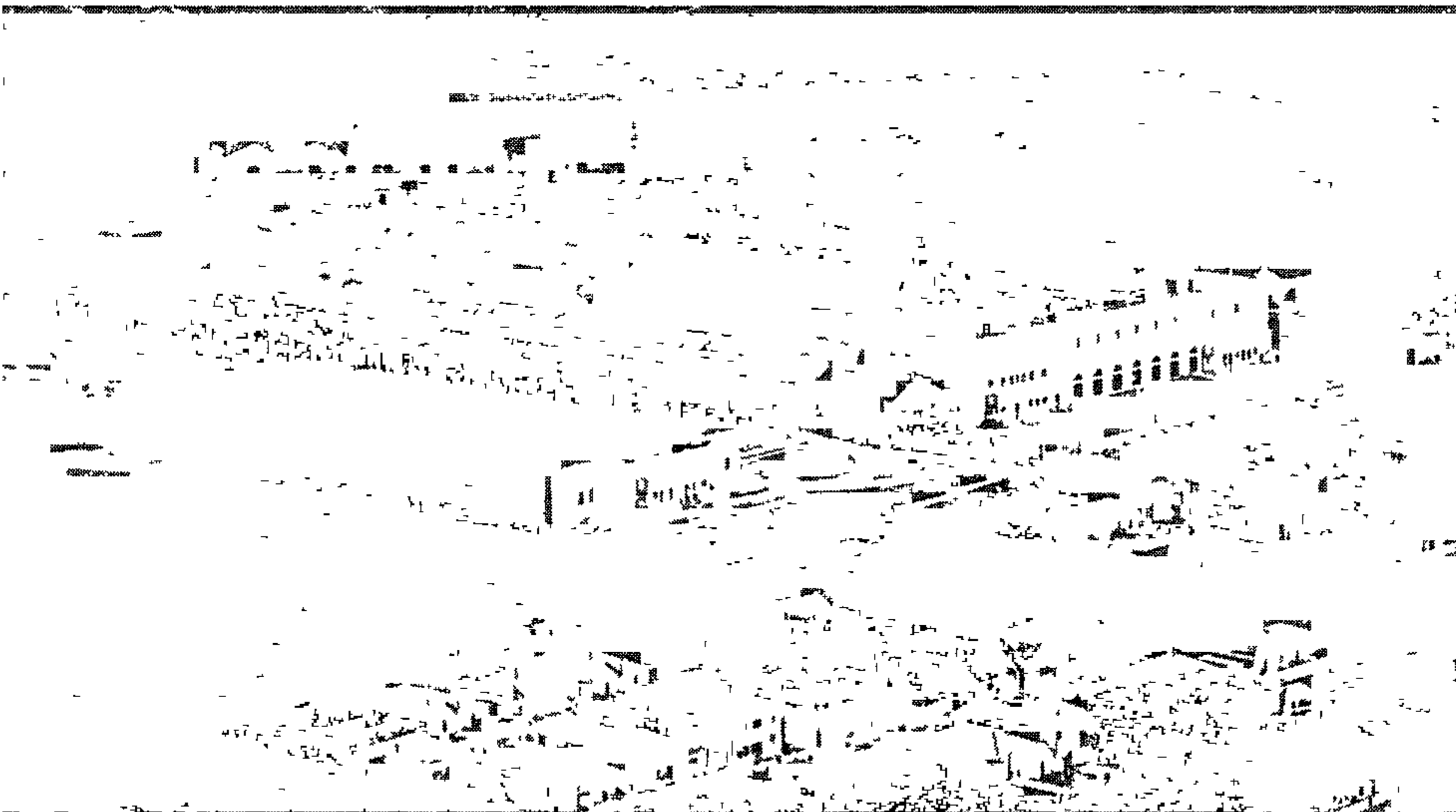
South Africa's 'own car', the Ranger was launched in 1968, the same year Port Elizabeth was hit by one of the worst floods ever. The Ranger was followed by the Holden based on the Kommando/Constantia/De Ville series and in 1972 one of the most successful lines ever produced by GMSA appeared — the Chevrolet 2500, 3800 and 4100. The latter topped sales charts in 1974 and 1975.

November 15, 1974 saw the official opening of the Locomotive Assembly Plant and already more than 600 units have been built.

The Opel Kadett was re-introduced in 1980 and two years later GMSA's entire passenger car range took on the Opel name.

Earlier this year South Africa saw the arrival of yet another newcomer — the Suzuki St 90 and SJ 410.

Today General Motors in South Africa has one of the most comprehensive passenger and commercial vehicle ranges available in the country.



The GMSA plant with Kempston Road little more than a dirt track. Although not exactly certain when the photograph was taken, it was in the late 1930's.

Equal opportunity policies and programmes

General Motors South African has been a leader in developing and implementing programmes to improve conditions in South Africa, and has aggressively pursued the objectives of equal employment opportunity for all its employees in the country.

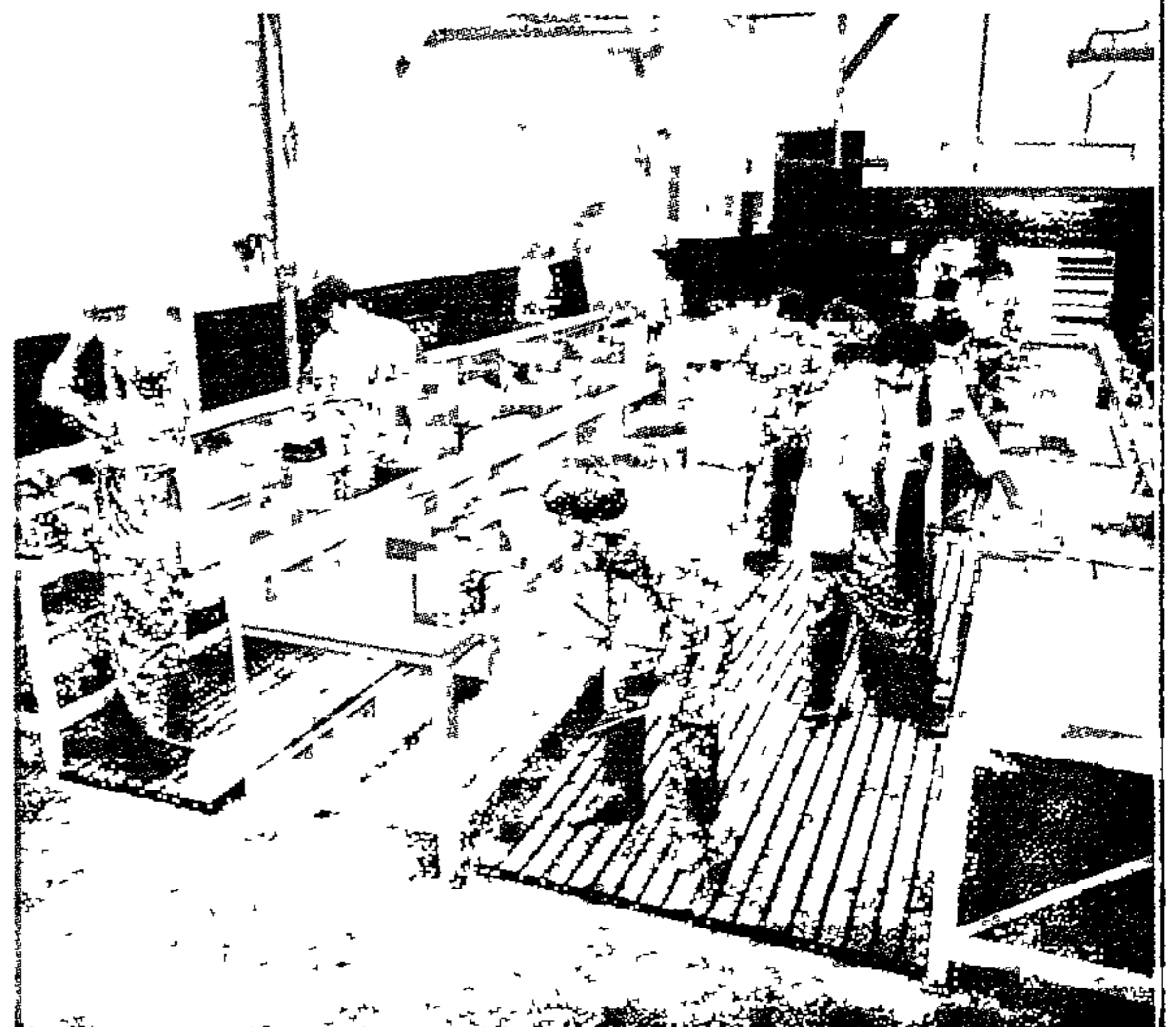
In keeping with this firm belief in equal employment opportunity, GM has introduced progressive employment practices designed to eliminate discrimination.

The company follows a programme of equal opportunity for all employees, regardless of race — from initial hiring, through training and advancement, to wage increases and retirement.

A primary obstacle to promoting blacks and coloured employees is the prevailing low levels of education. To improve these educational levels, a GM programme encourages children of employees to remain in school as long as possible. The programme pays for prescribed books and school fees for all children of black employees attending primary and secondary schools. Since 1972 nearly 8 500 sets of books have been issued at a cost of about R 145 000.

One of the more far reaching community educational programmes is GMSA's Adopt-a-School project. Currently, 21 black schools have been adopted near GM's headquarters. The programme provides assistance in many forms to local schools in the community, including managerial, financial, and vocational guidance. The adopted schools offer an array of curricula, including a facility for the physically handicapped, and currently assist more than 10 500 students annually.

To improve employee skills, GMSA conducts a number of in-plant programmes to train new employees and to prepare them for advancement. A number of coloured and black employees who have completed a Pre-Supervisory Training Programme have already been assigned supervisory responsibilities. In addition, both coloured and black employees have attended technical and non-technical classes paid for



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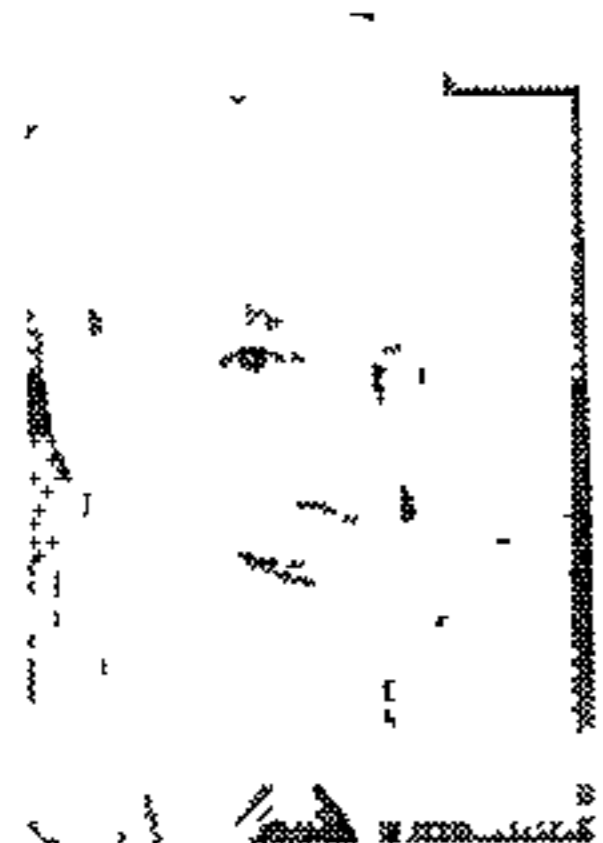
5
and still
growing

Congratulations on your achievement.

Bosal — leading suppliers of exhaust systems, jacks, precision steel tubing and tubular products. We are proud to be associated with General Motors in South Africa.

Bosal
YOU'RE SUPPORTED ALL THE WAY.
DIMENSIONS 8583

...the future and commitment to stay



Mr L.H. Wilking,
managing director

The next 25 years will be one of the most intensive and innovative periods in the history of the automobile. We will see developments in materials, manufacturing techniques, motive power and in design.

As in the past 75 years General Motors will be at the forefront of these developments, pioneering many of them, leading the automobile industry.

General Motors South Africa is in the fortunate position in being able to draw on the expertise and talents of the world's three major automobile manufacturing nations — the United States, Germany and Japan.

This means that we can offer the best in superior quality, design and development. We see our position in South Africa improving over the next twenty five years to where we once again assume a dominant role in the market place.

General Motors South African

can will maximise the depth of talent that exists in this country through pursuing the policies of equal opportunity and we will continually strive to improve the lot those who work for us.

We accept that the next 25 years will be challenging for South Africa but General Motors is determined to play its part in meeting the challenge.

L.H. WILKING



Mr H.G. Carpenter,
director of marketing

During the next 25 years General Motors South African who have been marketing motor vehicles in South Africa for 75 years will experience a major, exciting and interesting revolution.

As we move into this period size, shape, and inside dimension of vehicles will change for ourselves and our competitors. Competition will increase but the rewards for successful marketing will be great in view of the intense competition.

It is extremely reassuring that General Motors South African can draw on the re-

sources of General Motors Corporation — the largest and most successful vehicle manufacturer in the world. This translates into a more efficient motor vehicle for the South African buying public in both the passenger and commercial fields.

We look forward with enthusiasm, confidence, and high expectations for our continued success in South Africa.

H.G. CARPENTER



Mr O.R. Maas,
chief engineer

During the next 25 years the rate of growth of technology and innovation in the Road Transport Industry will increase at an even more rapid rate than in the previous decade. Controlled power, passenger comfort, minimum maintenance and a high degree of safety will be prime objectives in the years ahead.

Advanced automotive engineering will, to a greater degree, embrace all fields of engineering, including mechanical, electrical, electronics, chemical and aerodynamics.

Radical change in engine design and propellants, reduction in the size of the power package, lower noise and pollutant emission levels will be startling!

GM's stable organization of research and sound engineering practices will be the launching pad for road transport in the years to come.

Utilization of the latest technology, computerization and International design techniques will ensure that GM products will remain and come to the forefront on the South African market.

O.R. MAAS



Mr A.R. Tregenza,
director of personnel

In the short term the Industrial Relations scene in the motor industry in South Africa will remain dynamic and sensitive. Employer policies and practices will continue to be closely scrutinized by trade unions and employee representatives. It is against this background that employers should maintain regular and open communications with employees at the workplace to

improve and foster a productive and co-operative atmosphere. The success of the business requires that both management and the employees work together in addressing various matters affecting their relationship.

A.R. TREGENZA



Mr I.D.J. Van Der Linde,
director of purchasing
and logistics

The exciting changes predicted by Executives of the GM Corporation in the USA for the end of this century is a promise of futuristic Products and increasing Automation. This development is rapidly being pushed forward by increasing Worldwide Competition as well as Technology advancement.

To cater for this progress it is already apparent that changes must be made in all areas of Material Management systems which very soon will embrace global or worldwide supply and communication links to ensure an international competitive advantage. It is predicted that all Material Systems will be

geared not only to ensure procurement of materials and components in quality, but will also require rapid transport with the elimination of expensive packaging. The usual monthly delivery order for components is even now fast changing to weekly and daily orders and it is very possible that this will further develop to orders specifying delivery on specific hours to Auto factories. Every system will be geared to eliminate waste — or generating savings in time, packaging materials, excess inventories held of materials, components as well as finished products.

The changes foreseen in electronics such as instrumentation and other functional components in the Automobile as well as changes in materials such as increasing use of plastics will result in major direction changes in the component factories and industry to supply these components.

The challenge will be to continue to improve knowledge of the new technologies and adapting these in the production processes and back-up systems of materials supply. We at General Motors South African are fortunate, as a subsidiary of the world's largest Motor Vehicle Manufacturer we are linked to a source which is already implementing revolutionary concepts to stay ahead.

Our association will guarantee continuous participation in this dramatic advancement process.

I.D.J. VAN DER LINDE



Mr R.J. Ironside,
assistant managing
director

The formation of the present day General Motors Corporation in the US in 1908 set in motion a pattern of events — the world of transportation which is still developing today and will continue to have impact no matter where motor vehicles are used.

Fifty seven years ago General Motors opened its first assembly operation in South Africa and helped start transportation expansion through which much of national economic growth has been achieved.

Transportation will remain a key element in South Africa's future along with effective utilisation of the country's human and natural resources. That combination, we believe will make the greatest contribution to building a secure future for all peoples of this country.

General Motors South African (Pty) Ltd intends to be a vital factor in that process which calls for a will to succeed, a great deal of self discipline and leadership of the highest calibre.

R.J. IRONSIDE

General Motors — Part of South Africa's historical fabric — woven in to stay

Although the history of General Motors South African begins in 1926 with the establishment of the plant in Port Elizabeth, GM products had been extensively sold in the years between 1908 to 1926. So much so that by 1926 it was estimated that one sixth of all the cars on the roads in this country were Chevrolets. Add in the Buicks, Oldsmobiles, Cadillacs and Oaklands (forerunner of the Pontiac) that were sold then the figure must be close to one third.

The arrival of the automobile in South Africa, a country with vast distances between its towns and cities, changed the lifestyle of the nation. Suddenly people could move around, the distances shrank and it was no longer a major undertaking to travel say, between Johannesburg and Durban.

General Motors is proud of the role it has played in the development of South Africa and it is for that reason we believe that we are part of the South African historical fabric — woven in to stay.

We have tried to make this, our 75th Anniversary Story, fresh, entertaining and enlightening — we hope that you find it so too.

A FEW WORDS FROM THE COMPANY THAT'S BEEN SELLING GM CARS IN SOUTH AFRICA LONGER THAN GM.



One of the 490 Chevrolets that Williams Hunt began importing in 1918, some 8 years before GM established their factory in South Africa.

Williams Hunt is not just the oldest GM dealership in South Africa. We're also a brand new member of the W.A. group, one of the largest industrial listings on the J.S.E.

So today, more than ever, we can combine experience and dynamism with financial muscle.

And we look forward to our continued association with the world's no. 1 vehicle manufacturer. With great vehicles like the GM Opels, Isuzus and Suzukis, SA's biggest range of cars and trucks the future is going to be as exciting as the past.

At Williams Hunt we congratulate GM on its 75th anniversary. We're proud to have been part of the success story.



WILLIAMS HUNT LTD.

Not everyone has world's No.1 vehicle

Tienie Appel, Volks Garage, Aberdeen ○ Joe Bosch, Farmers Garage, Alexandria ○ Johan Jonker, Dukes Garage, Aliwal North
Harry Tregoning, Tregonings Garage, Barberton ○ Joe Meiring, Drakensberg Motors, Barkly East ○ Darryl King, C.P. Nel's Garage,
Beaufort West ○ Bill Dewey, Modern Service, Bedford ○ Don Craye, Williams Hunt, Bellville ○ John Hughes, Williams Hunt,
Benmore, Sandton ○ Willie Greyling, Louis Garage, Benoni ○ Johan Staedler, D & S Motors, Bethal ○ Ferdie Edeling, United
Services, Bethlehem ○ Mike Nieuwoudt, United Motor Services, Bloemfontein ○ Joot Pienaar, Motorwell, Boksburg ○ Jan F
President Motors, Bothaville ○ Hennie Joubert, Braamfontein Motors, Braamfontein ○ Piet Venter, Motorwell, Brakpan ○ J
Bonner, Alderson & Flitton, Brits ○ Frans Venter, Bronkhorstspuit Motors, Bronkhorstspuit ○ Pieter Otten, Central Garage
Bultfontein ○ Ivan Stephenson, Olivier & Stephenson, Burgersdorp ○ Peter Fletcher, Gcuwa Motors, Butterworth, Transkei
Human, Elca Motors, Bloemfontein ○ Jan Swanepoel, C. R. Motors, Caledon ○ Willem du Plessis, Calvinia Motors, Calvinia
Weitz, Blits Motors, Carletonville ○ Klaus Gobel, Smith and Van der Merwe, Carnarvon ○ Bennie Wolfaardt, Top Chevrolet,
Paul de Villiers, Sitrusmotorwerke en Implemente Maatskappy, Citrusdal ○ Archie Norval, Colesberg Garage, Colesberg ○ Be
Kitshoff, Cradock Motors, Cradock ○ Vic Bear, Bear & Mengel, Dannhauser ○ Hannes Venter, Central Motors, De Aar ○ Cas
Universal Garage, Dordrecht ○ Fred Lahoud, Lahoud's Garage, Douglas ○ Mohammed Pandor, Hiway Motors, Dundee ○ Bill
Williams Hunt, Durban ○ Philip Rohtbart, Fleet Motors, East London ○ Mackie Dewar, Meyers Motors Limited, East London
Marshall, Triple 'E' Motors, Edenvale ○ Mrs. Jean Foster, Fosters' Chevrolet, Elliot ○ Cliff Bailey, Delta Motors, Empangeni ○
Smal, Isuzu Truck Centre, Epping 2 ○ Hardy Rothman, Harlen Motors, Ermelo ○ Eddie Brokensha, Brokensha's Garage, Est
John Dickson, Ficksburg Garage, Ficksburg ○ Dennis de Necker, Constantia Kloof Motors, Florida ○ Norman Myburgh, Ree
Foreshore, Foreshore ○ Claude Whitecross, Whitecross Garage, Fort Beaufort ○ Guido de Folippo, Continental Motors, Fran
Botswana ○ Frikkie Lubbe, United Motor Services, Frankfort ○ Colin Armstrong, Notwane Motors, Gaborone/Botswana ○
Meyer, C. P. Nel & Company, George ○ Tony Clark, Currie Motors, Germiston ○
Theo Stead, Transvaal Motors, Germiston ○ Ed Crankshaw, The Gem Garage,
Graaff Reinet ○ Wally Kent, Kenrich Motors, Grahamstown ○ Graham
Gilson, Midlands Motors, Greytown ○ Kosie Havenga, Havenga Garage,
Griquatown ○ Peter Botes, Harrington Motors, Groblersdal ○ Dave Ellis,
Hankey Garage, Hankey ○ Rob Allchin, Bates Garage,
Harding ○ Hannes Strydom, United Motor Services,
Harrismith ○ Southey Stirk, S. & B Motors, Hartswater ○
George du Toit, Premier Motors, Heidelberg ○ Jan de Kock,
Northern Free State Tractors, Heilbron ○ Carl Bothma,
Currie Motors Truck and Commercial Centre, Heriotdale ○ John Gillespie, Sterling
Motors, Hermanus ○ Lieb Opperman, Central Garage, Hofmeyr ○ Willie du Toit, Natio-
nal Garage, Hopetown ○ Garth Mouritzen, Hume Melville Motors, Humansdorp ○ Jannie
Smuts, O.F.B. Motors, Jagersfontein ○ Ronnie Alberts, Tom Keevy Garage, Jansenville ○
Basil Smart, Williams Hunt Pty Ltd, Jeppe ○ Harold Bromberg, Currie Motors,
Johannesburg ○ Henry Blignaut, Transvaal Motors, Johannesburg ○ Johan Engelbrecht, Kakamas Verb. Ko-op, Kakamas ○ F
Kempton Park ○ Dave Thomas, Roderick & Brook, Kimberley ○ Rob Cloete, Meyers Motors, Kingwilliamstown ○ Jannie Sto
Johnny Rosin, Westvaal Motors, Klerksdorp ○ Peter Anderson, Anderson Motors, Knysna ○ Dave Johnstone, Daddy Brother
Beer, S. V. Motors, Koster ○ Danie Wege, Fairweather, Castignani & Holmes, Kroonstad ○ Walter Martin, Tommy Martins Mc
Gamahaan Motors, Kuruman ○ Hannes Oosthuizen, Havenga Motors, Ladysmith ○ Craig Anderson, Anderson Motors, Lad
Garage, Laingsburg ○ Dowid Cassim, Cassim's Car Sales, Lenasia ○ Morgan Streeter, S. V. Motors, Lichtenburg ○ Dirk Coetze
○ Mike Essack, General Garage, Lydenburg ○ Johan van Tonder, Linel Services, Mafikeng, Bophuthatswana ○ Gordon Horne
Malmesbury ○ Bobby Johnstone, Daddy Brothers & Johnstone, Margate ○ Willie Pretorius, Lesotho Tractors and Constructio
Maseru, Lesotho ○ Henry de St. Pern, Sydfred's, Matatiele ○ Stan Foss, Mbabane Motors Pty Ltd, Mbabane, Swaziland ○ Joh
Motors, Middelburg ○ Solly Latief, Solly's Motors, Middelburg ○ Paul Hadjipaulos, Key Truck and Car Mobeni, Mobeni ○ Dar
Molteno ○ Abie Neethling, Brinks Garage, Montagu ○ Coenie de Jongh, Huysamen Chevrolet, Moorreesburg ○ George Lotz,
Wheeler, Zucop Garage, Mtubatuba ○ Johan Taute, Northern Free State Tractors, Marquard ○ Martin Ferreira, Rob's Motors,
Menmat Motors, Newcastle ○ Dolfie van der Merwe, Seaman's Garage, Noupoot ○ Johan Engelbrecht, Aim (Nylstroom), Ny
Reeds Observatory ○ Neville de Winnaar, Westvaal Motors, Orkney ○ Rodney Mileham, C. P. Nel & Co., Oudtshoorn ○ Jerry
Ian Wiid, Reeds Parow ○ Jan Keyser, Fairweather, Castignani & Holmes Motor Distributors, Parys ○ Hendrik Kolbe, Kolbe &
Kluckow, Team Motors, Pietermaritzburg ○ Dirk de Jager, Elda Motors, Pietersburg ○ Jeff Jones, Piet Retief Motors, Piet Retie
& Implemente, Piketberg ○ Joe Emanuel, Key Truck and Car, Pinetown ○ Neville Schuddin, Roley Clayton, Port Alfred Mot
Kahns, Port Elizabeth ○ Willie Nel, Williams Hunt Pty Ltd, Port Elizabeth ○ Keith Laird, Daddy Brothers & Johnstone, Port Sh
Postmasburg ○ Jan Duraan, Potch Motors, Potchefstroom ○ Klasie le Roux, Gilbertson's Garage, Potgietersrus ○ Currie Moto
Pretoria ○ John Hewie, Wonderboom Motors, Pretoria North ○ Willie Mans, Van Rensburg's Garage, Prieska ○ Rex Wagner, J
Northern Chevrolet, Blairgowrie, Randburg ○ Babe Viljoen, United Motor Services, Reitz ○ Joep van Eeden, Robertson Gara
Roodepoort ○ Godfrey Schubach, Valencia Motors, Rustenburg ○ Wolfgang Els, Williams Hunt, Sasolburg ○ George Fouche,

Congr- on your 7' chos

The backing of the e manufacturer.

It's no easy task satisfying the demands of the South African motoring public.

It takes vehicles for every conceivable need. Like GM Opels, Isuzus and Suzukis, South Africa's widest range of quality cars and trucks.

And it takes commitment to rise above fierce competition.

The kind of commitment that General Motors has shown for the last 75 years as the world's No. 1 vehicle manufacturer.

And that's why each one of us is proud to be a GM dealer.

Rowan Hampson, Hampson Auto Centre, Scottburgh ○ Corneels Holtzhausen, Monument Motors, Smithfield ○ Monty Shapiro, Chevman Motors, Somerset West ○ Barend Human, Nothern Free State Tractors, Senekal ○ Wattie Nel, W. Nel Motors, Somerset East ○ Ben Eylers, Williams Hunt, Southdale ○ Richard Maponya, Mountain Motors, Zondi, Soweto ○ Abraham Uys, Jowell's Garage & Transport Limited, Springbok ○ Bob Watson, Fourth Avenue Motors, Springs ○ Jan Smith, Coetzee Motors, Standerton ○ Iqubal Kajee, North Coast, Stanger ○ Bobby Dakin, Matie Motors, Stellenbosch ○ Denzil Ward, Ward's, Steytlerville ○ Jurgen Gietz, Westvaal Motors, Stilfontein ○ Arthur Thompson, Stutterheim Garage, Stutterheim ○ Eric Koch, Central Garage, Swellendam ○ Ian Bruce, Scotts Chevrolet, Tarkastad ○ Hans Eloff, Istores Garage, Thabazimbi ○ Bertie de Vos, C. E. T. Motors, Twee Rivieren ○ Cliff Fairer, B. & F Motors and Tractors, Tzaneen ○ Charl de Villiers, Williams Hunt, Uitenhage ○ Paul Gerber, Capitol Motors, Umtata, Transkei ○ Des Tarboton, Tarboton's Garage, Underberg ○ Koos Cilliers, Sakk Motorverkope en Diens Sentrum, Upington ○ Isaac Ramakulukusha, Isaac Ramakulukusha Services, Vondwe Location, Venda (Sibasa) ○ C. J. Okkie Steyn, Driehoek Motors, Ventersdorp ○ Bill Bronkhorst, Currie Motors,

Vereeniging ○ Luther Vlok, National Garage, Victoria West ○ Michael Ferguson, Northern Free State Tractors, Viljoenskroon ○ John Ferrandi, Ferrandi's Garage, Villiersdorp ○ Warwick Krige, Lyon Motors, Volksrust ○ Koos Botha, United Motor Services, Vrede ○ Fanie Pieterse, Sydney Hunt Motors, Vryburg ○ Fred Gaskin, Provincial Motors, Vryheid ○ Johan Karsten, Karden Motors, Virginia ○ Henry Gregan, Maroela Chevrolet, Warmbaths ○ Willie Britz & Johan Holtzhausen, Fairweather, Castignani & Holmes Motor Distributors, Welkom ○ Chris Visser, Williams Hunt, Wellington ○ Cyril Southey, Williams Hunt, Wemmer ○ Stephanus Scheepers, Northern Free State Tractors, Wesselsbron ○ Duncan Hemphill, Duncan Motors, White River ○ Jannie Vlok, Williston Motors, Williston ○ Fanie Zaayman, Zaaymans Garage, Willowmore ○ Kosie Conradie, E. F. S. Tractors, Winburg ○ Max Kohler, Kohler's Garage, Witbank ○ Doug Grieve, Frank Vos Garage, Worcester ○ Leon Hampton, Williams Hunt, Wynberg ○ Monty Arenstein, Arenstein Motors, Wynberg ○ Johnny Marx, Haleys Garage, Zastron ○ Yusaf Bata, Bata Motors, Zeerust

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e le Roux, Apie le Roux Motors, eo Chevrolet, Kirkwood ○ Johnstone, Kokstad ○ Willem de Krugersdorp ○ Polla Burger, th ○ Lionel Goodman, Standard City Motors, Louis Trichardt ○ Niekerk's Garage, Machinery Company, Kingsway, an der Walt, Middelburg Penning, Molteno Motors, Nel, Mossel Bay ○ Chris pruit ○ Roger Mentzel, om ○ Seymour Ezer, nedy, Williams Hunt, Paarl ○ e, Paulpietersburg ○ Bud Jan Marais, Piquetberg Garage Port Alfred ○ Norman Kahn, one ○ Kapaans Havenga, General Garage, retoria ○ Morris Shapiro, Union Car Sales, son's Garage, Queenstown ○ Don Stretton, Robertson ○ Matthew Taitz, Roodepoort Motors, weizer Reneke Garage, Schweizer Reneke ○





The first assembly line — a line of GMSA Chevrolet Trucks being assembled in the Darling factory in Port Elizabeth

from page 6

by GMSA's tuition refund plan

Under the company's Technical Training Plan, coloured employees attend free classes conducted by personnel from the local technical college GMSA's Language Instruction Programme, designed to provide basic reading, writing and mathematical skills, has been operating since 1971 and has now been expanded to include the training of teachers for the benefit of the local black communities

As part of a R4 million project, GM also tripled its in-plant training capacity. In 1980, the first full year of operation of its new Training centre, GM succeeded in obtaining full status for black apprenticeship programmes. Since April 1980, well over 800 employees have been trained. To supplement in-plant training programmes, GM makes use of outside organisations such as the University of Port Elizabeth, Technikon, The Institute of Personnel Management, the National Development and Management Foundation, various technical colleges, and other facilities offering specialised training.

Improvements in the quality of life of coloureds and blacks is further achieved through a variety of housing programmes. Specifically, GM operates several different housing programmes for both employees and the local communities in general. For example, in 1973 the company loaned the City of Port Elizabeth R500 000, payable over 30 years, to augment available City funds for construction of homes in a coloured residential area. The loan provided for the construction of more than 90 homes.

A home ownership programme in a black community near Port Elizabeth was assisted by a GM interest subsidy on a R1 million loan which provided 235 new homes and a 600 pupil primary school.

Direct employee assistance is provided by a home improvement loan programme. These loans are interest free for one year and since inception of the programme in 1973, over 1 700 employees have participated. In addition, a home ownership programme which provides down payment assistance to coloureds and blacks has been in existence since 1973.



A group of ladies at General Motors Kempston Road Plant shortly after it opened in 1928

General Motors continues to believe that the single most important factor in the creation of a more promising investment climate in South Africa is a resolution of the country's social problems.

General Motors remains hopeful that these problems will be resolved on a basis which is just and equitable to all segments of South Africa's population. Any investment decisions regarding the nation will, of course, necessarily include an assessment of the economic, social, and political environment, not only in South Africa, but in neighbouring countries as well.

The Corporation believes the products GM will introduce in the coming years will enhance the company's competitive position and facilitate its continued involvement as a force for further social and economic progress. Further, General Motors believes its continued operation in South Africa promotes constructive change and demonstrates GM's current confidence in South Africa's long term economic stability and future.

Dunlopillo Quality

Established in Port Elizabeth in 1960, Dunlopillo has been associated with the motor industry and General Motors for the last 23 years.

As a quality assured supplier to GM, Dunlopillo — a division of Dunlop SA Limited — continuing product development has expanded the company's range significantly since its establishment. The latter included moulded vehicle seat cushions of various types and densities, block foam, foam sheeting and seating from cut slabstock.

Apart from its involvement in the motor industry country wide, Dunlopillo in Port Elizabeth supply foam bedding and furniture for the retail market. The company also manufactures quality inner-spring mattresses at its Johannesburg factory.

Linked to its own research and development projects, recent developments in car seat manufacture — which is carried out continuously in close collaboration with General Motors' Engineering Department staff — include achieving self sufficiency in integral wire support frames for seat cushions and development of formulations for special ap-

plications or extra high-quality moulded seat requirements.

Dunlopillo has been one of the first participants in the recent introduction of 'Kan Ban' production and supply systems by General Motors. The Dunlopillo is now geared to tie in with this introduction to ensure that maximum benefits are obtained by both customer and supplier.

There is a strong commitment to technical advance and quality improvement, and regular utilisation of the latest in European foaming and moulding techniques, has ensured an ability to meet the ever more stringent requirements of the Motor Industry.

The current plant now bears only superficial resemblance to that of ten years ago, as new demands by Product Engineers, plus higher sophistication in the seating market with regard to comfort and durability, have necessitated continuing plant expansions and refinements.

GM innovations 1923 — 1925

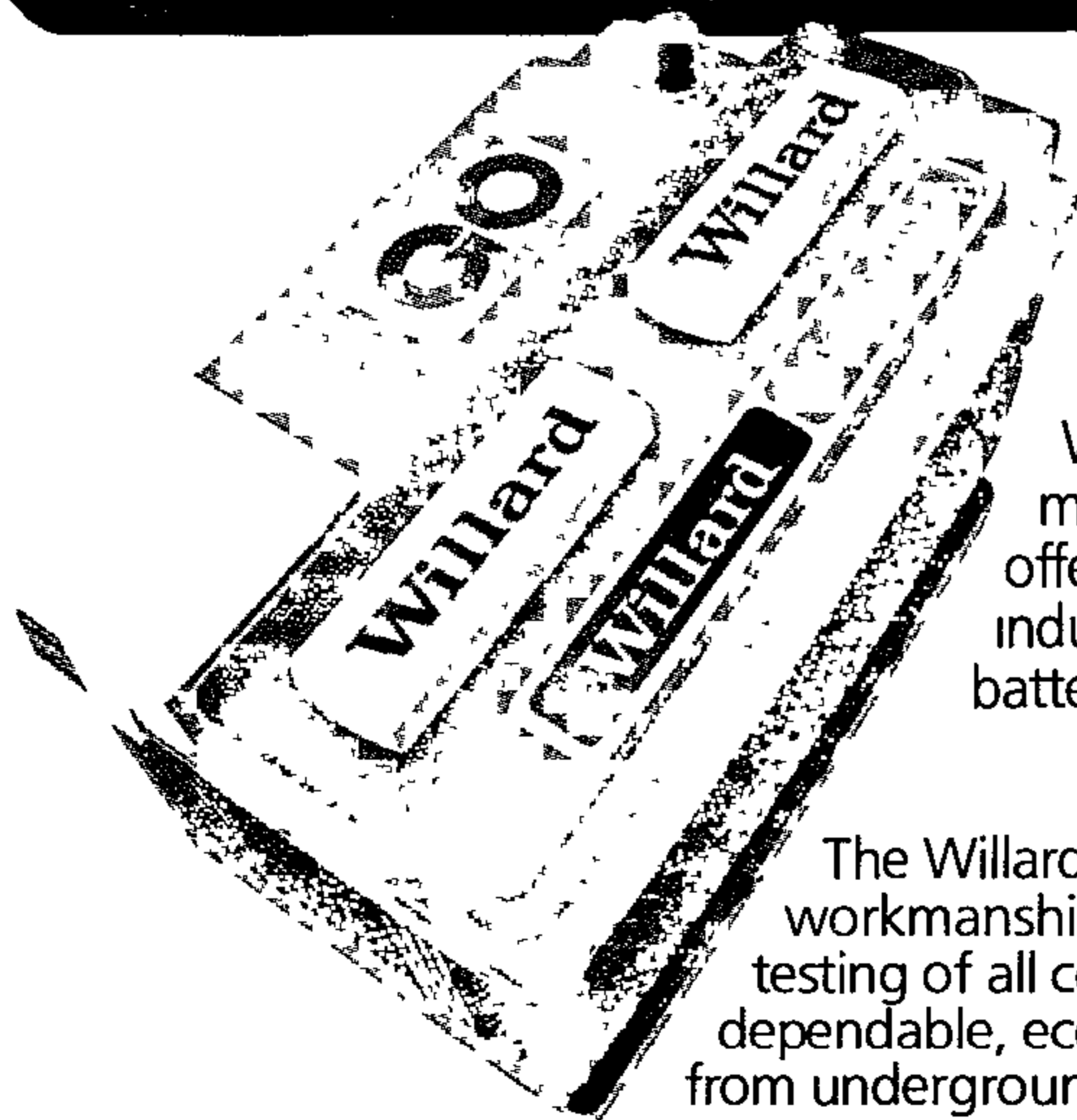
1923 — Four-wheel brakes appear on 1924 Buick.
1924 — Guide Lamp unveils first two-filament headlamp (one filament for upper beam, one for lower), improving nighttime visibility distance.

GM opens auto industry's first proving ground.
First brake test decelerometer is installed at GM proving ground.

1925 — First instrumentation to measure steering effort in moving vehicle developed at GM proving ground. Delco Remy produces first electric windshield wiper so wiper speed can be maintained regardless of engine speed.



Willard Automotive and Industrial Batteries



Willard Batteries, manufactured in South Africa, offer a complete range of industrial and automotive batteries.

The Willard name has been built on quality workmanship and materials combined with extensive testing of all components. The result is a battery that will provide dependable, economical, long life power for all types of vehicles, from underground locomotives to sports cars.

South Africa's prestige battery.

Willard

Adam Opel AG, the General Motors Corporation's largest foreign subsidiary, has become the fastest growing vehicle manufacturer in Europe — good reason too as the Opel emblem represents proven advanced German engineering.

In South Africa, General Motors is geared for a major market penetration attack with its 1984 passenger range of vehicles following some impressive results achieved by Opel in Europe.

The Opel successes in Europe include a 12 per cent sales increase last year while the European market increased by less than 2 per cent.

In an increasingly demanding and competitive market place Opel has been number one in the Netherlands for the past 14 consecutive years with a sales increase of 20 per cent. In Switzerland Opel moved into top-spot with a sales increase of 17 per cent, in Belgium and Austria sales increased by more than 20 per cent, in France sales increased by more than 50 per cent and in Spain sales increased by more than 400 per cent — all indications are that this trend is continuing during this year.

The Opel story starts with the birth of Adam Opel on May 9, 1837 Living at a trading post — Russelsheim — some 25 kilometres from Frankfurt, Adam was the first born of a locksmith, Wilhelm and his wife, Anna.

As a young man, Adam, tall and blonde with thoughtful eyes was drawn to Paris. At the time Paris was the city of great international expositions of inventions and engineering feats.

His interest was sparked on seeing one of the great innovations of the time — the sewing machine.

In a cowstall in Russelsheim, Adam started assembling sewing machines in 1862 — Opel had been founded.

His company grew from manufacturing sewing machines to bicycles and finally cars. Adam, however, never lived the day to see a car bear his name as he died on September 8, in 1895.

The company passed to his widow, Sophie, and subsequently to their five sons, Carl, Fritz, Wilhelm, Heinrich and Ludwig.

Based on a design by Friedrich Lutzmann, a locksmith born in Dessau, Opel's first car was produced in 1898 and early the following year the first were offered for sale — eleven were sold that year.

The first Opels had 1500 cc engines with an output of four horsepower and had a maximum speed of just below 20 kilometres per hour.

Small and light, these early Opels were chiefly conceived as two-seaters.

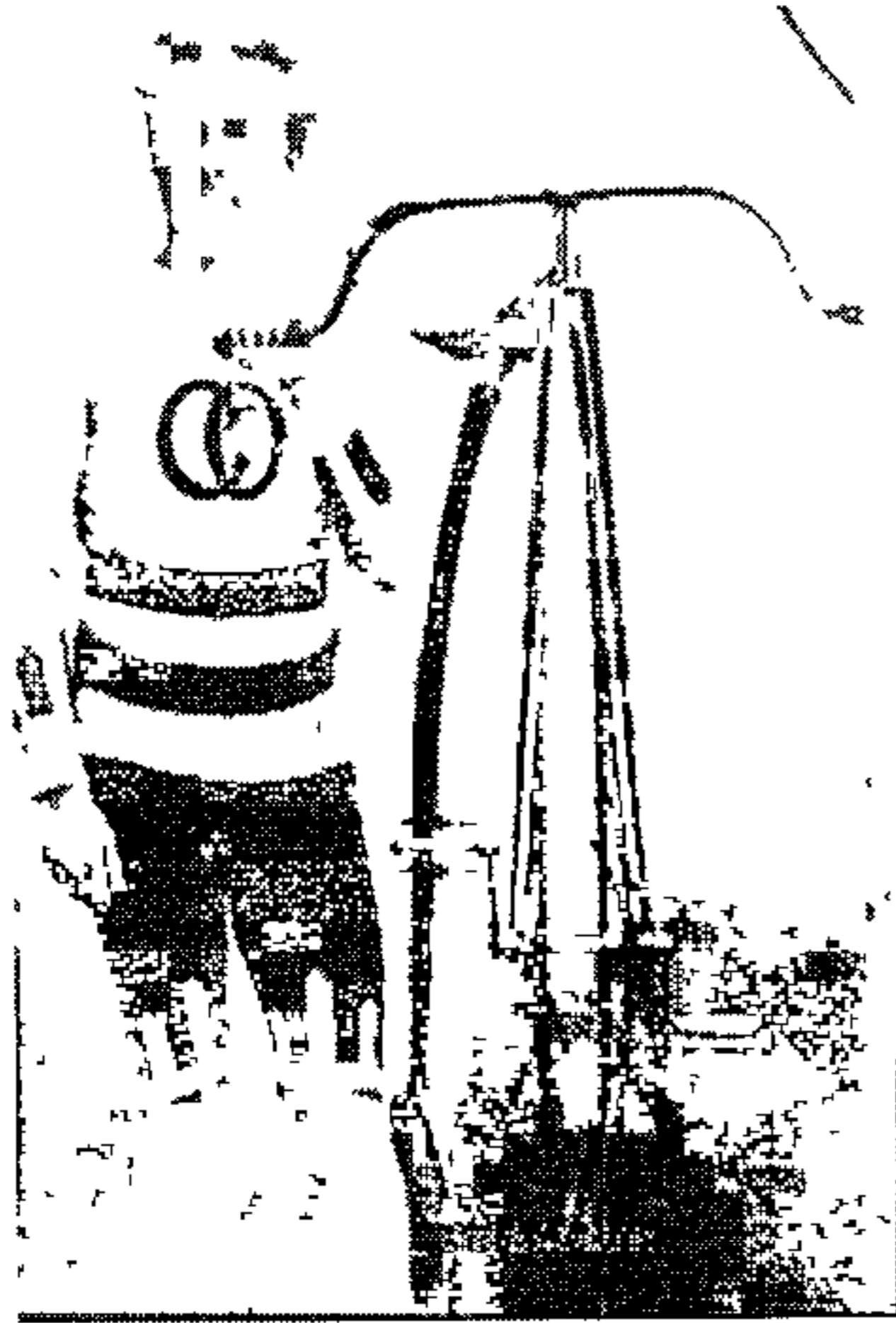
During 1903 a four-cylinder Opel was launched and the following year 252 units were manufactured.

In 1912, the fiftieth anniversary year of Opel, 3,202 vehicles were produced by 3,100 employees. The Russelsheim operation continued to grow and another powerplant was built in 1909.

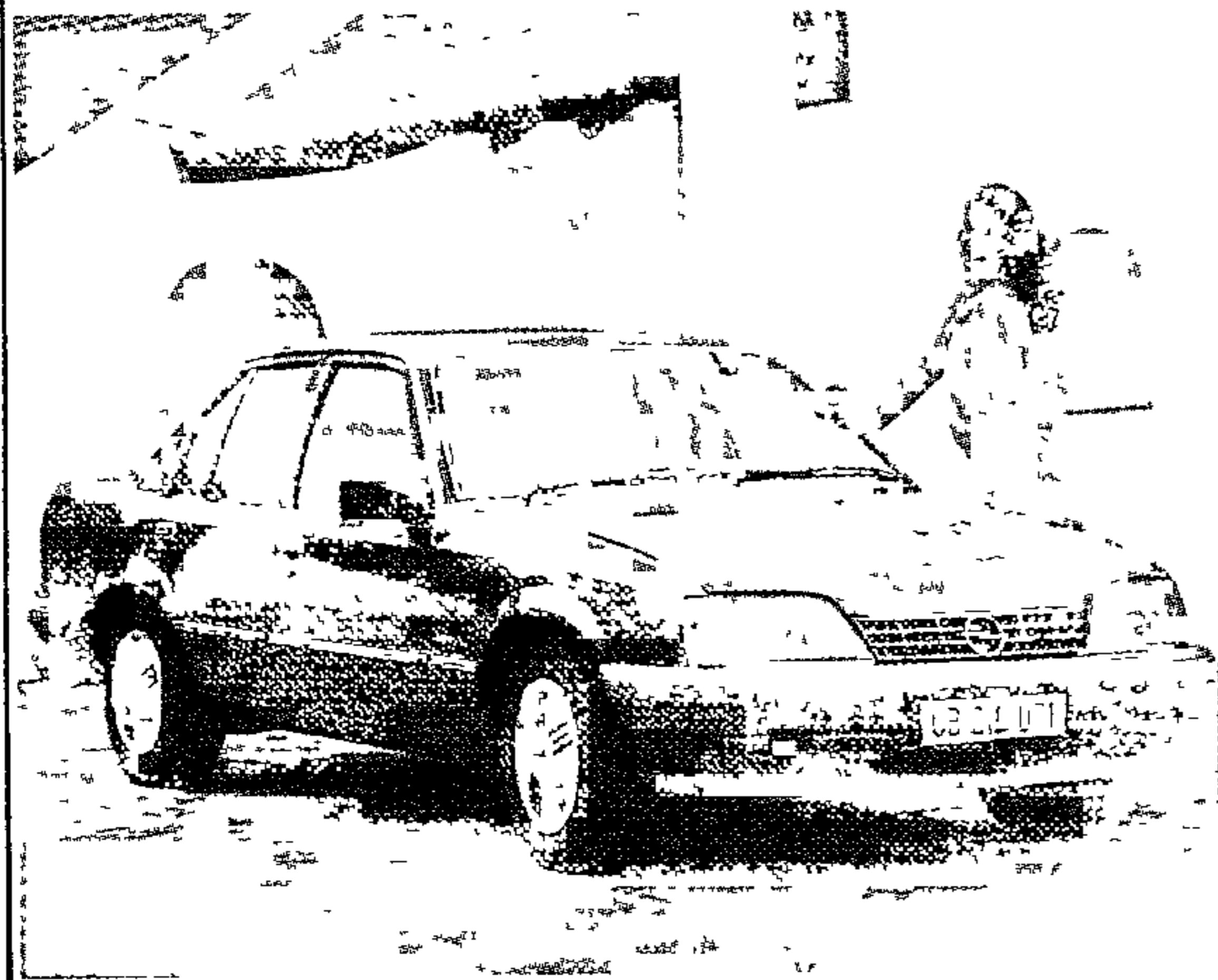
In these early days of the industry it took six weeks and longer to build a small car, which included four to five weeks to paint the body.

Despite time consuming operations, the Opel assembly plant managed to produce 3,500 units in 1914.

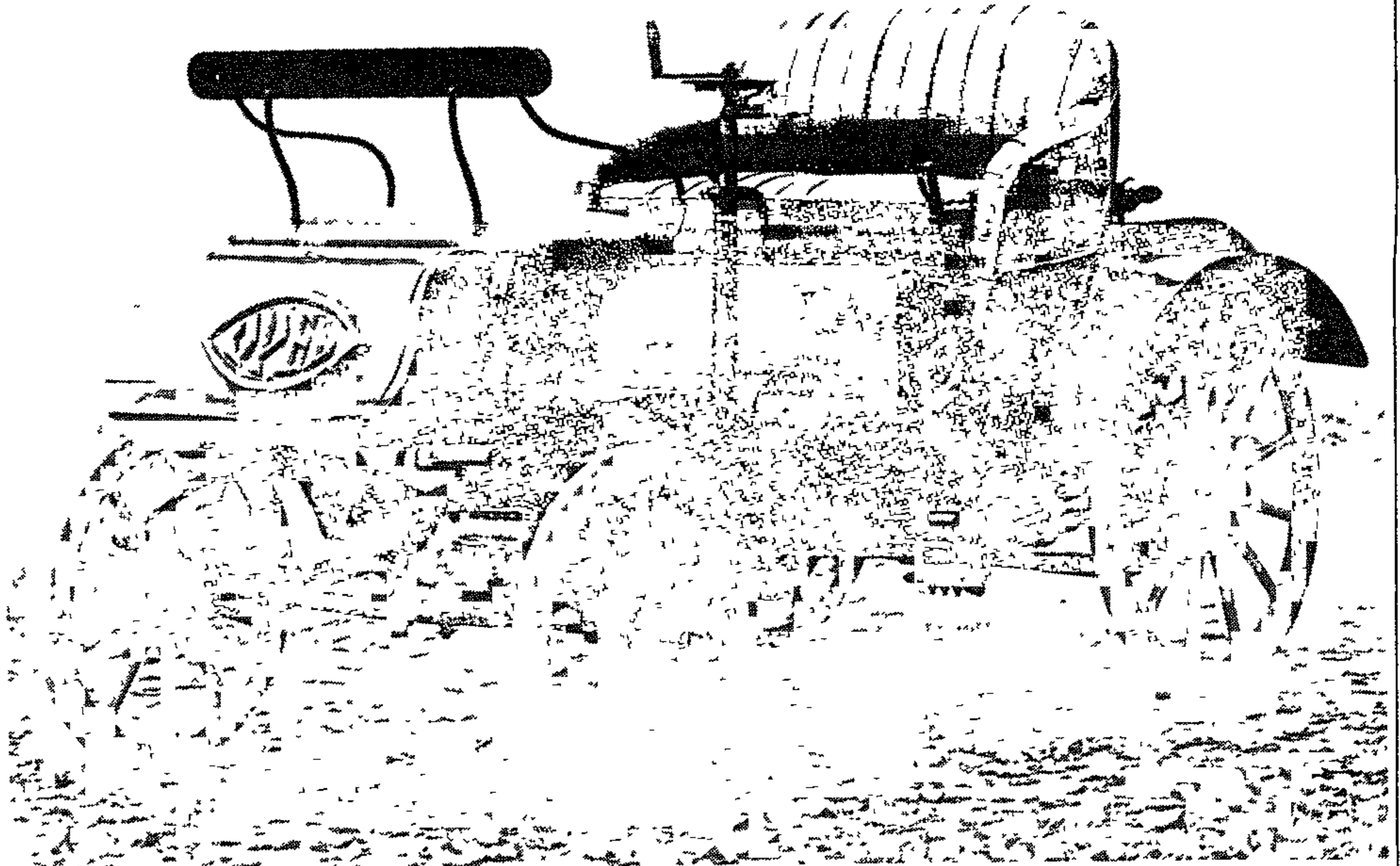
In 1919, as the dawn of a postwar day was breaking, the Opel brothers were mature and experienced automotive executives.



Carl Opel, the eldest brother of the Opel brothers, who won some 70 prizes as a racing cyclist.



Quality and style the new Opel Berlina



The Opel Lutzmann went into production in 1898. The following year 11 units were sold.

During the decade of the 20's, the Opel works was transformed as dramatically as a company could at the time. It became a new kind of car producer, just as surely as if the entire factory had been rebuilt again from the foundations. The company was building new cars along new assembly operations servicing and selling them through a well organised dealer network.

In 1928, Opel had a workforce of 8,000 employees, some 250 vehicles were built a day and at the end of the year production reached the 42,771 units. Opel had a market share of 26 per cent in Germany.

However, it would not be fair to say that the German motor industry had become a global power as the balance of economic power had long since shifted to the other side of the Atlantic as American cars started flooding into Europe.

Top GM officials visited Europe and the Opel factory. They were impressed by what they saw. Opel's production lines were new and well chosen, the operation was sound and there was a good supply of labour.

Alfred P Sloan Junior later wrote that the visit prompted him to negotiate and option on Opel, to expire at the beginning of April, 1929. The option was eventually exercised, and in 1929 GM acquired 80 per cent of the company for 26 million dollars. In 1931 GM bought the remaining shares for an additional 7.4 million.

When Sloan met Opel dealers he told them of ambitious plans to boost production and sales and that he anticipated that one day Opel production could run as high as 150,000 vehicles a year — he later confessed that he felt viewed as "another impractical, visionary American".

GM appointed Irvin J. Reuter as managing director of Opel. Fritz von Opel remained as president.

Reuter previously general manager of Oldsmobile was reluctant to move to Germany, but under his strong leadership Opel built up exports during the difficult 30's, especially following the introduction of the Olympia sedan. By 1937 Opel was the leading producer in Europe and had an annual production of 130,000.

The outbreak of World War II threw doubt over GM's German operation and in 1940 production was brought to a standstill — the same year when production reached the one million milestone.

Following aerial attacks during the war the Opel factory was devastated.

During the early postwar years it remained uncertain whether GM would renew its ownership of Opel. The sheer cost of rebuilding facilities, at a time when prospects for return on investment were bleak, was just one consideration.

However, in November 1948 GM agreed on a two-year trial ownership. Edward K. Zdunek, a former European regional manager for GM's Overseas Operation Division was appointed to run the operation.

Opel boomed during the 1950's, along with other aspects of German economic and industrial life. In 1953 production climbed to more than 100,000. The operation continued to grow to the



The new Opel Senator German perfection

point where in 1961 Opel produced some 382,700 vehicles. Five years before, the two million milestone was reached, four years later the three millionth and two years later the fourth millionth milestone.

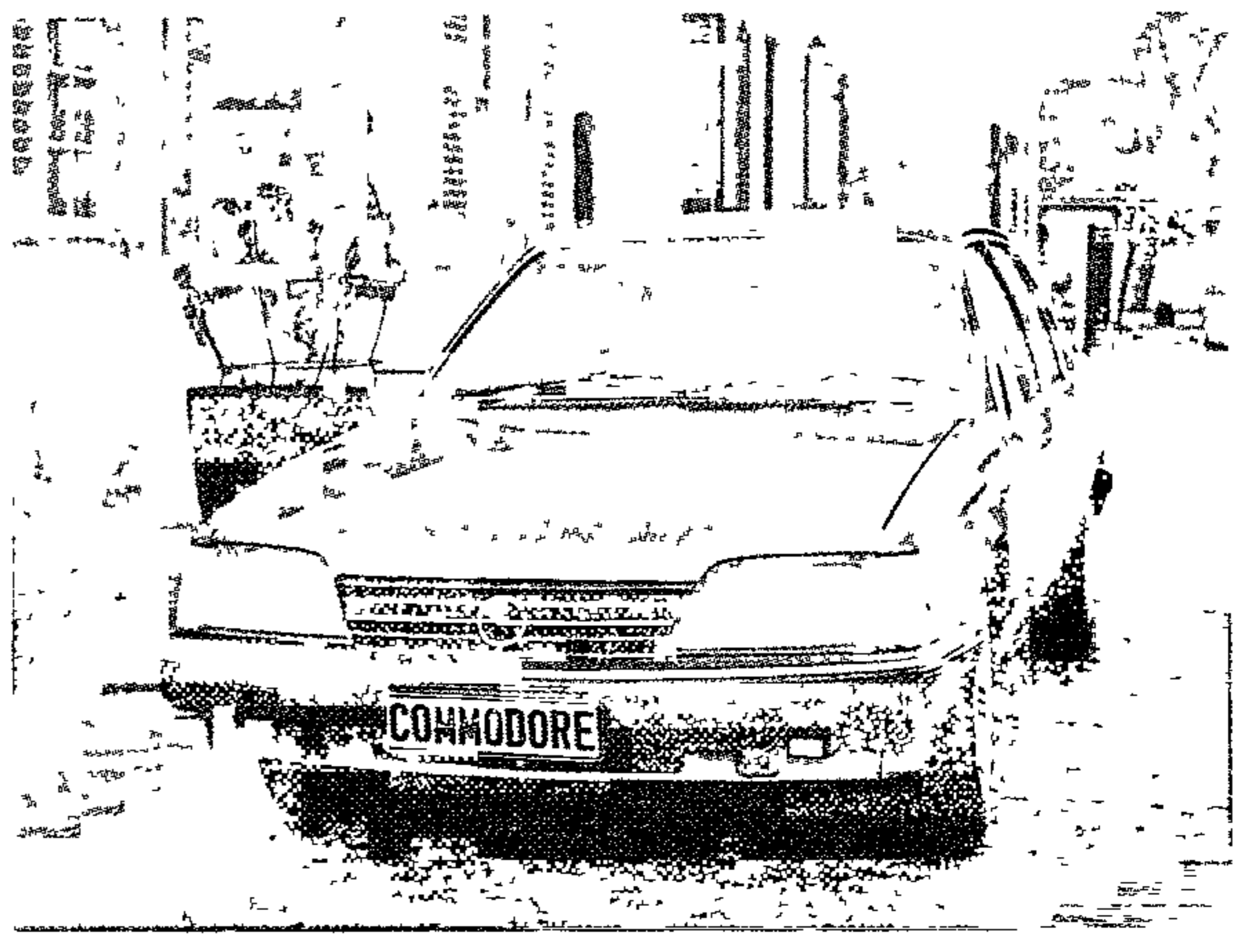
In September 1962 the first Kadett rolled out of the new Bochum factory and Opel was soon producing 1,000 vehicles a day. The arrival of the Kadett — just what Europe needed — practically doubled Opel's production. In

1964 nearly 689,000 cars were built. With a few hiccups the total grew through the following 10 years, and in 1973 output stood at 874,000.

However, the first energy crisis struck and its effects were felt throughout the world and the 70's saw extraordinary peaks and troughs — Opel production plunged to fewer than 585,000 units in 1974 — the lowest figure in eight years. But towards the end of the decade Opel again built an unprecedented

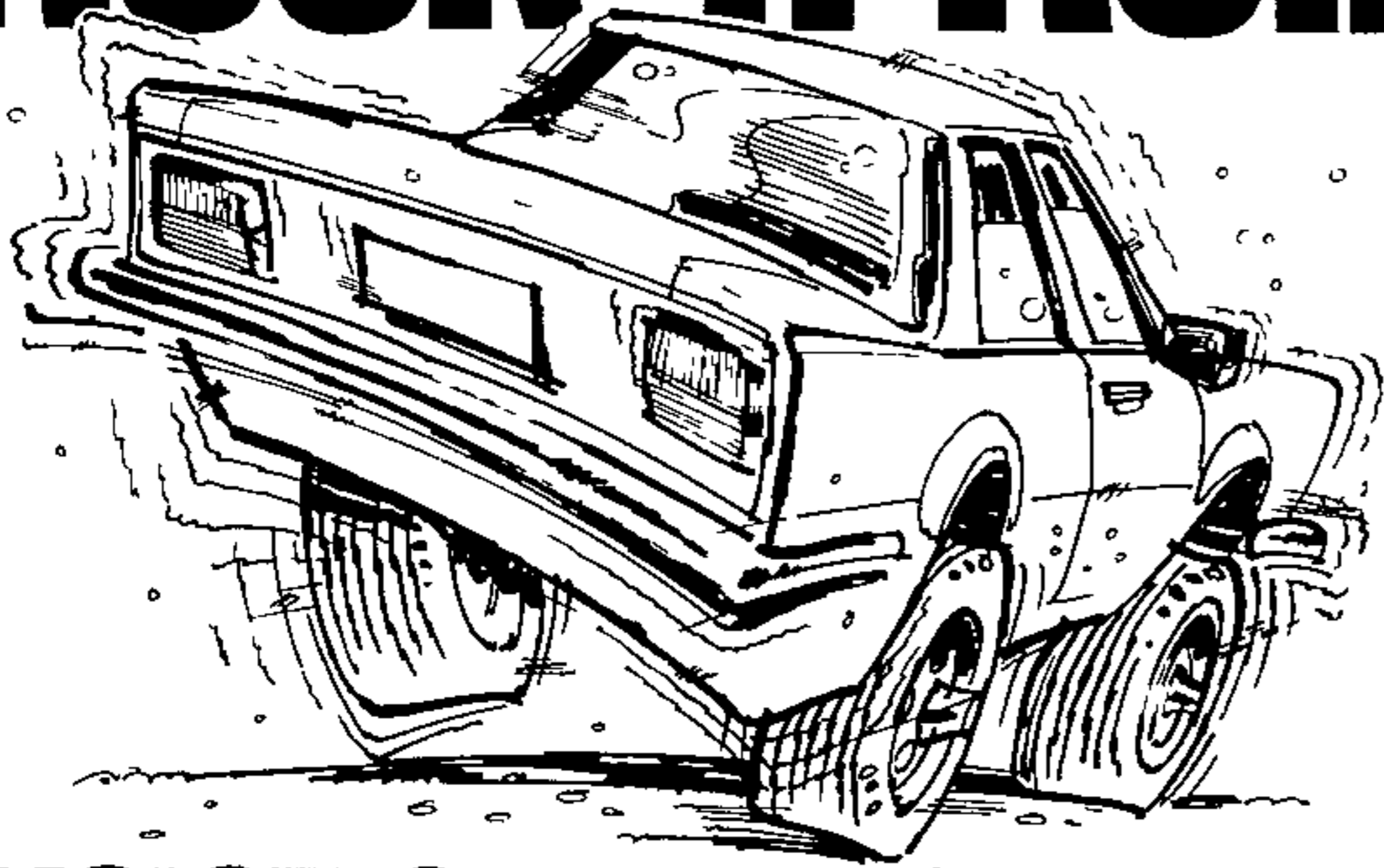
968,000 vehicles. It was a decade which saw Opel become responsible for European passenger car design — with Opel a nerve centre, GM had moved from national to European dimensions.

Opel's fully justified claim is that its current product line is the most modern in Europe. This claim which is evident in vehicle sales is now starting to filter through to South Africa where the 1984 Opel range from General Motors cannot but impress.



The new Opel Commodore reflecting advanced German engineering

BAN Rock'n Roll



INSIST ON ARMSTRONG SHOCK ABSORBERS

Worn shock absorbers are detrimental to the handling of your car. Causing excessive body roll and loss of tyre contact to road surface. Making your car unsafe at any speed.

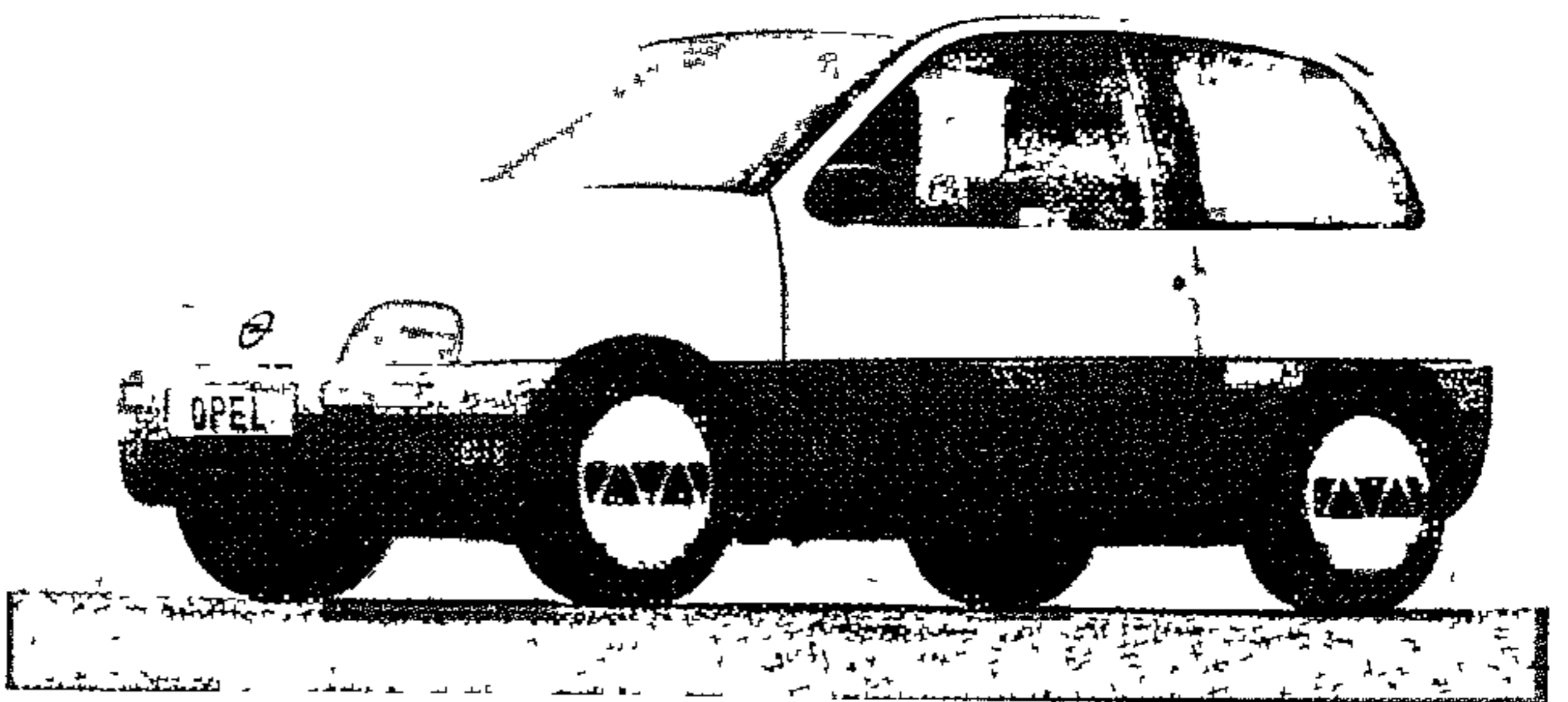
So put your car on its best behaviour. Insist on Armstrong shock absorbers.

ARMSTRONG

Fletcher Shelton Coordination P E ARM/87



Since 1962, 6,5 million Kadetts have been manufactured in Opel facilities. Of this number 1,5 million represent the present series.



The new Opel Junior seen at the 50th Frankfurt Show. Equipped with a 1,2 litre engine, delivering 40 Kw, the Junior accelerates from 0 — 100 km/h in 15 seconds. Top speed is some 150 km/h.

BAKKIE-LINER. An investment, not an expense.

Welfit Oddy Limited, South Africa's premier builders of quality commercial motor bodies are privileged to have been closely associated with General Motors South Africa (Pty.) Ltd. since their establishment in Port Elizabeth 57 years ago.

In 1892 Welfit Oddy started in Port Elizabeth as a Blacksmith shop, shoeing horses and repairing carts and wagons.

They soon progressed to the actual manufacture of carts and wagons, which were known for the quality and workmanship — especially the finish achieved by many coats of varnish applied by hand.

With the establishment of assembly plants in Port Elizabeth during the late 20's, Welfit Oddy watched their progress with interest and patiently awaited the day that the assembly plants would produce lorries for which converted bodies would be required.

The time arrived and Welfit Oddy slowly progressed from the manufacture of animal drawn vehicles to motorised bodies and became ac-

knowledgeed specialists in that field.

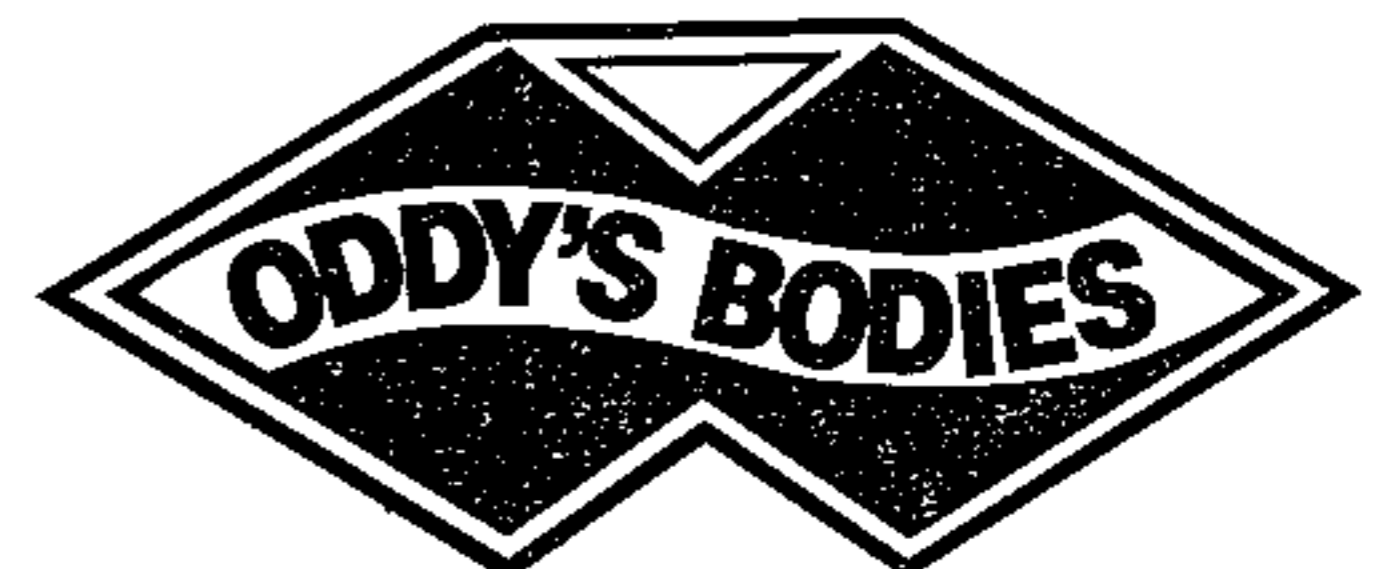
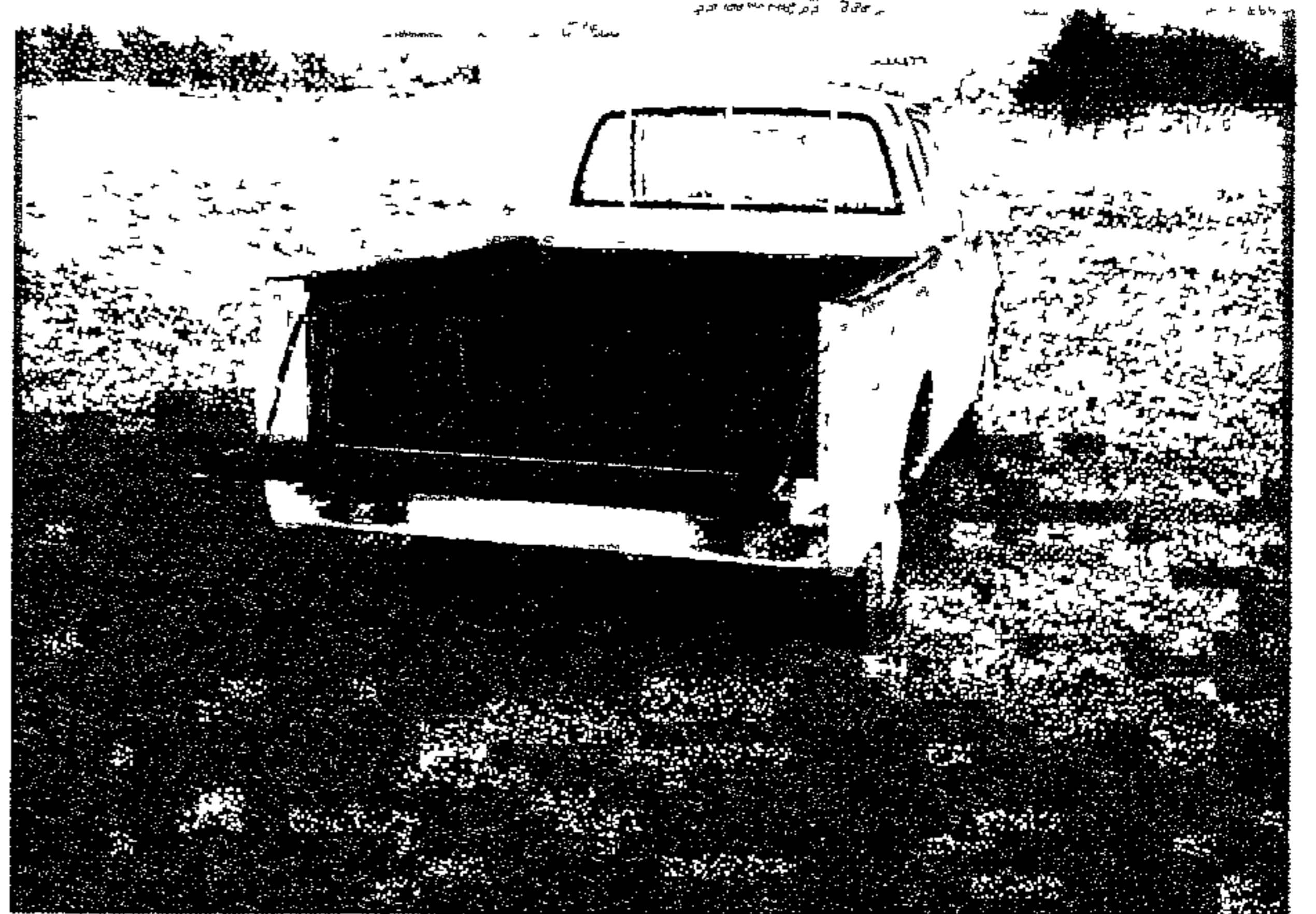
From wooden platform decks advances were made to drop sides and special goods carrying bodies but slowly all steel construction was introduced when Welfit Oddy gambled on the purchase of a steel guillotine and brake press.

The next step was the introduction of hand operated hoists in tipping bodies and from that stage overseas know-how was acquired and rapid development in motor body and trailer manufacture took place.

With the assembly plants policy to make more in South Africa Welfit Oddy were approached to develop a locally built pick up body which they did with great success and as years went by with more and more cooperation from the assembly plants, together with

more rigid quality demands, this particular type of product has developed into a highly sophisticated process involving complicated tooling. Today Welfit Oddy is able to satisfy the assembly plants with a full range of light and heavy commercial bodies, tankers, panel vans, ambulances, and other special purpose bodies.

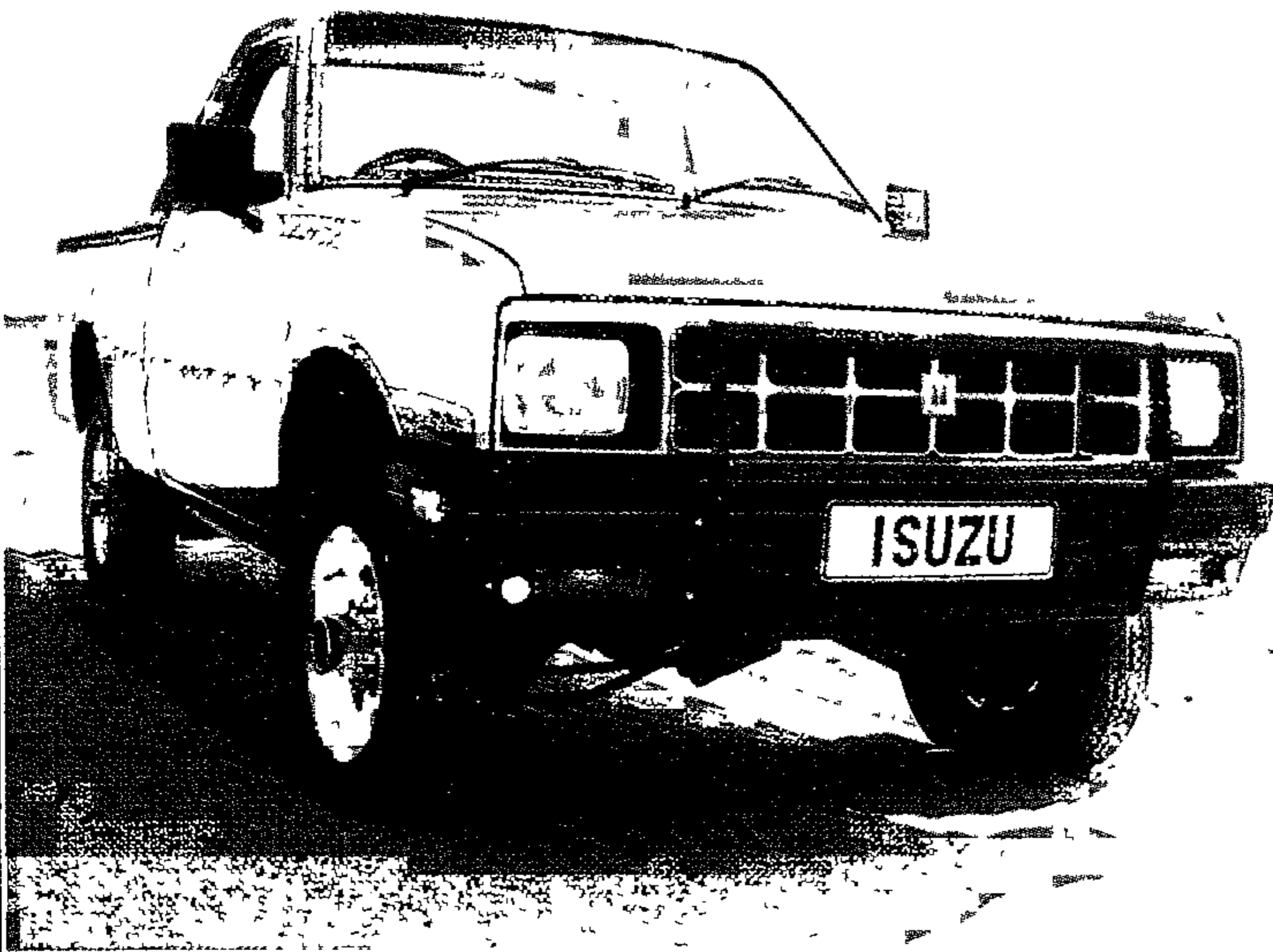
Welfit Oddy Limited look back with pride and forward with confidence and to this end have recently erected new spacious and modern premises in Port Elizabeth, and the final phase of construction will be completed by the end of 1984 so that they will have all the facilities to supply quality products within the delivery time quoted — and so continue the happy association with General Motors SA Pty Ltd for many years to come.



The proud and reliable Isuzu name

Isuzu's emergence in South Africa as one of the top selling truck makes follows on 1971 when General Motors purchased 34% of the stock of Isuzu Motors Limited and started marketing Isuzu trucks through the General Motor Dealer network in the country.

Isuzu's history began in 1916 when the Tokyo Ishikawajima Shipbuilding and Engineering Company Limited decided to diversify its activities and founded a motor vehicle manufacturing division. In conjunction with Wolseley — a British firm — cars and trucks of the Wolseley design were produced until 1927 when Isuzu switched to production of vehicles of its own design. The name Isuzu first appeared in 1934.



The Isuzu Company began concentrating on diesel engine technology and in 1941 the first diesel powered Isuzu were extremely successful with passenger car models in Japan and introduced Japan's first diesel powered passenger vehicle.

1971 was an extremely significant year for Isuzu with General Motors Corporation's stock purchase. This marked the beginning of a joint marketing venture and an unprecedented surge in sales of Isuzu trucks.

The increasing capitalisation and the access to General Motors' Research and Development benefited Isuzu tremendously. 1974 saw the first tangible result of this joint venture with the launch of Isuzu's Gemini. This attractive sedan was part of the General Motors World Car concept and shared many technical specifications with the Opel Kadett and Vauxhall Chevette.

1975 saw the launch of the Isuzu SBR422 — these highly successful high speed direct injection, diesel engine medium trucks, set new standards for performance and economy and did much to enhance Isuzu's popularity. In South Africa, the SBR422 soon became the sales leader in its mass class.

Another milestone occurred in 1977 with the introduction of the KB diesel bakkie. The KB series soon became one of South Africa's top selling bakkies offering 4 x 4 and long wheel-base variants.

The switch over to ADE engines was accomplished with the wholehearted support and assistance of Isuzu's Engineering Division. ADE engine Isuzu trucks have been extremely successful and marked a further milestone in this company's sales success in South Africa.

Isuzu are becoming more and more involved in projects with the General Motors Corporation, and are contributing significantly to both the passenger vehicle and the truck market. Isuzu's exciting 2-seater high performance Piazza has received international acclaim. The recently introduced Trooper — a 4 x 4 station wagon and the new forward control 1-ton vans and microbuses, give Isuzu an opportunity to maximise the available market.

There is no doubt that Isuzu has become a major force in the automotive industry, and that the company has earned its reputation for its technology and innovative design and styling.

R and D priority at GM

Research and Development have always been given top priority at General Motors in South Africa, as a result the company's Isuzu commercial and truck range is viewed as advanced in design and engineering.

Research and Development is carried out in close collaboration with the Isuzu in Japan. Here planning, design, prototype building and evaluation is done to the extremely high standards

set with regard to safety, reliability, economy, performance and comfort. The application of advanced technology to Isuzu product development is one of the basic ingredients when creating vehicles to satisfy user demands.

In Isuzu's Engineering Division, the Research and Experiment Department numbering more than 500 employees

to page 16

The ADE project and General Motors

The ADE 314, 617, 352 and ADE 407 engines, naturally aspirated and turbocharged, have been engineered and fitted into the GM/Isuzu range of medium and heavy commercial vehicles, giving a 64 0/0 ADE-power line-up in this range.

Fourteen months after being introduced, more than 600 ADE-powered Isuzu trucks are in operation on South African roads.

ADE travels with General Motors on the road in the "Atlantis Era" and offers its congratulations to a major customer on the occasion of its 75th anniversary.

The formidable task of re-engineering all South Africa's existing trucks, buses and tractors around the single ADE range of locally manufactured engines is all but complete.

It has been a challenging task. Nowhere else

in the world has an entire transport and tractor industry been restructured around one standardised range of engines. Twenty-two international manufacturers are involved and to date more than 300 different engine installations and specifications have been drawn up to engineer the ADE engine into various makes and models.

The conversions of existing and new models has been highly successful. Engineering knowledge and experience has increased and the performance and economy of these final products has

been of the highest standard. The research and development facilities available to ADE will ensure that ADE engines remain in the forefront of current technology and are specifically suited to the South African sphere of operation.

To date, more than 34 000 ADE engines have been manufactured and more than 20 000 ADE-powered commercial vehicles, tractors and industrial units are in operation on South Africa's roads, farms and in industry — a mere two and a half years after the first ADE engine rolled off the production lines.

The high quality of the ADE product has achieved wide acceptance throughout the country.

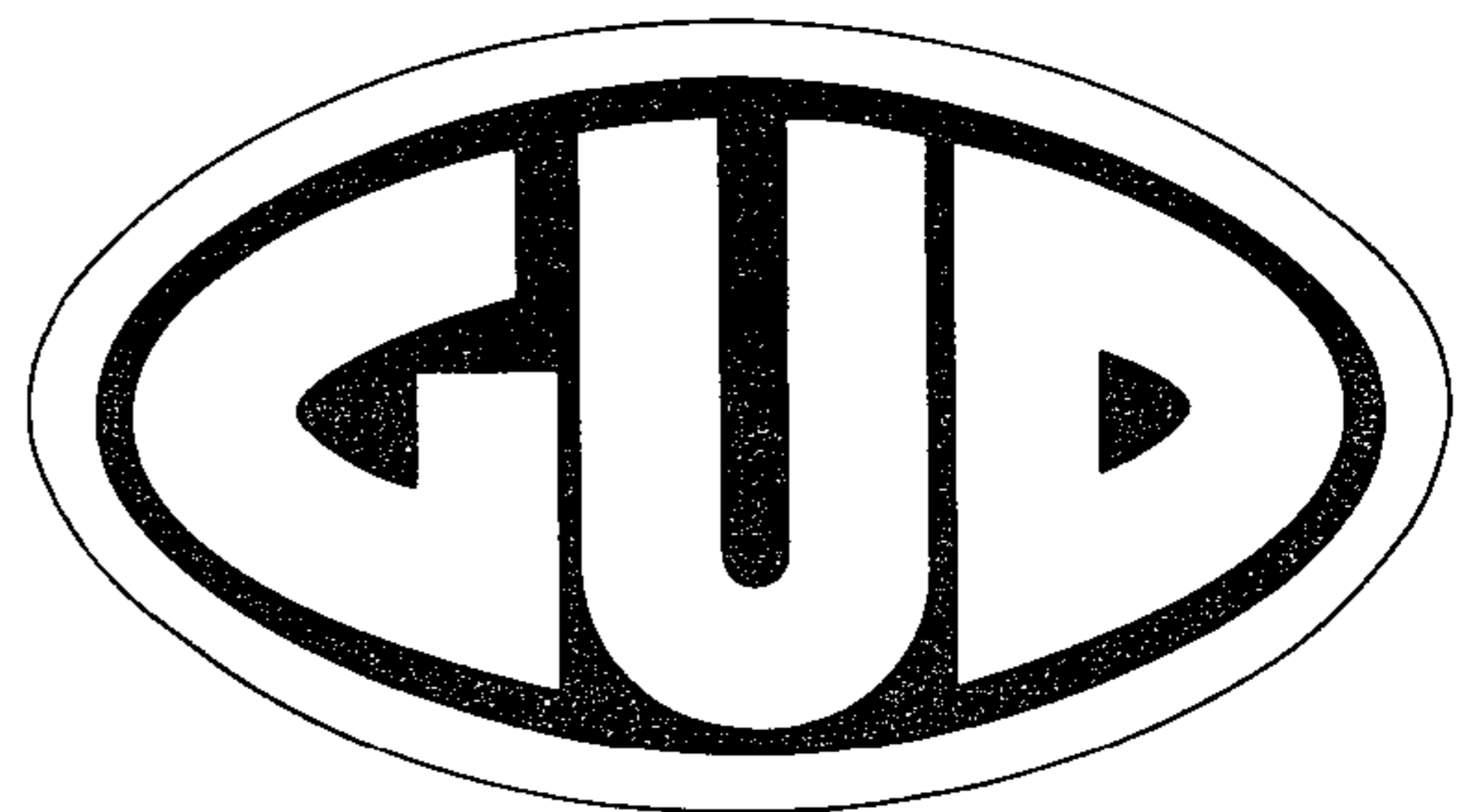


ADE machines the six major and critical components of the engine: cylinder block, cylinder head, crankshaft, camshaft, connecting rod and flywheel. Operators are busy here with the machining of camshafts.

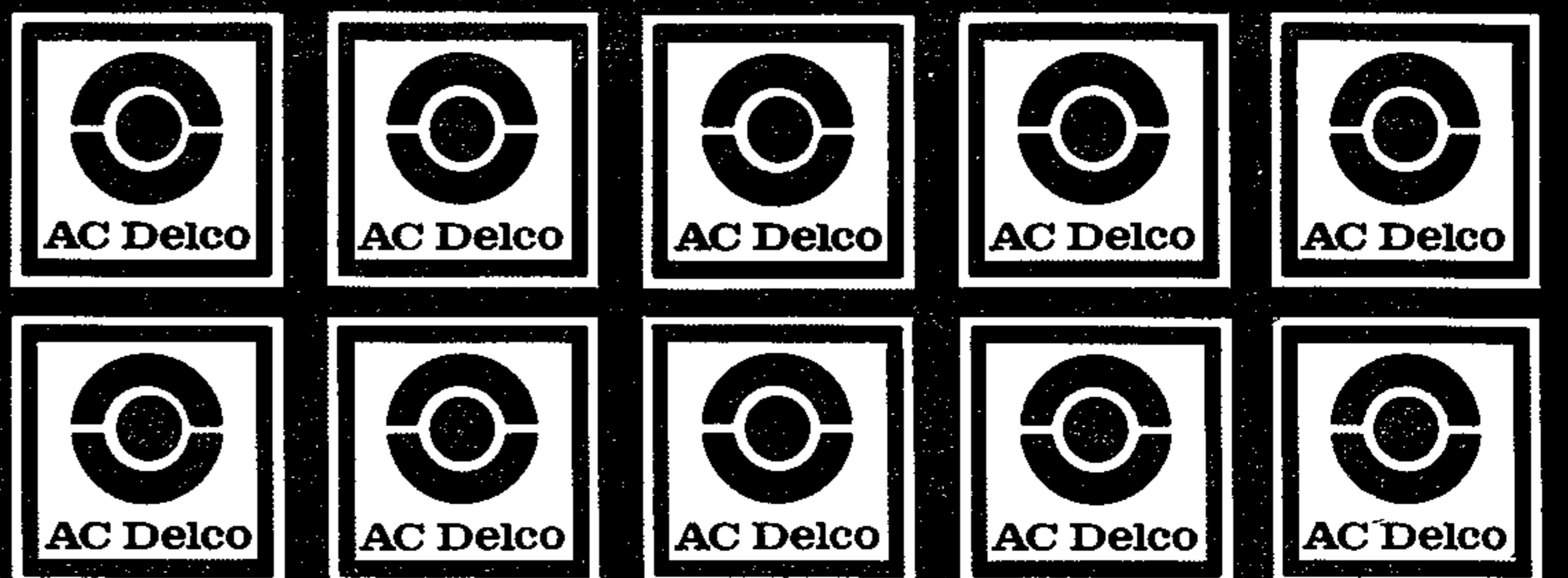
Who's in the drivers seat

According to the publication USA Today, a survey of auto industry leaders predicts that by 1990 General Motors will continue to be the United States' top vehicle manufacturer. In fact, General Motors will gain ground at the expense of the Ford Motor Company. Here's a look at projected market

Manufacturer	1983	1990
General Motors	43	45
Ford	17	15
Chrysler	10	10
Imports	30	30



Manufacturers of Air, Fuel and Oil filters are proud to be associated with **GENERAL MOTORS SOUTH AFRICAN (Pty) Ltd.** and congratulate them on the occasion of their 57th anniversary of operation in South Africa, and 75 years as a world-wide corporation.



Dorbyl and General Motors — a proud association

Dorbyl Automotive Product (Pty) Ltd, through its four divisions, is proud of its association with General Motors South African (Pty) Ltd, some of which goes back more than 30 years

Bus & Vehicle Body Division

For more than 30 years the Bus & Vehicle Body Division of Dorbyl Automotive Products (Pty) Limited better known in the industry as Busaf has been a supplier of bus bodywork on General Motors chassis. Many hundreds of bodies have been supplied on the popular Bedford and Chevrolet range of chassis for both the private market and various government departments

In recent years these chassis have been replaced by the Isuzu range and Busaf is currently supplying a range of bodies on the various types of Isuzu chassis

In addition to body chassis for State Departments and Public bodies Busaf through its retailing arm Buscraft offers to the private market the full range of Isuzu buses with medium sized 35 seater Isuzu SBR422 and the 24 seater Isuzu TLD54 being in regular series production for sale through the Buscraft outlets or through General Motors dealerships. Major contracts recently completed include 17 bodies on Isuzu DPR610 for City of Pietermaritzburg

Guestro Wheels Division

Guestro Wheels Division commenced operations in 1961 to support the local content programme and supply roadwheels for General Motors vehicles such as Opel, Chevrolet, Pontiac, Vauxhall, Holden

Guestro realised the need to be completely self sufficient and installed facilities staffed by qualified, competent engineers to design tools and dies, manufacture, to General Motors product quality and reliability standards, as well as international standards

The division was one of the first to recognise the difficulty of trying to manufacture its product in accordance with the huge range of steel specifications originating from source countries. Guestro rationalised to use one specification for each disc and rim for many years.

As founder members of the Tyre and Rim Engineering Data Committee (TREDCO), and corresponding members with the American T&RA and European E.T.R.T.O., the division has expanded to Rosslyn, Heidelberg and Spartan and now manufactures more than 50 000 wheels per week for the full vehicle range.

Guestro is seen to be a leader in truck technology in South Africa following the introduction of the one piece 15 degree tubeless truck rim wheel which not only offers considerable advantage in mass reduction but also improved vehicle pay-load and probably most important of all, safety

Auto Components Division

Although Auto Components, as such, is a relative newcomer amongst component suppliers, it was General Motors who, in the early 1960's provided the opportunity for the local manufacture of seat frames. Their faith in and support of developing local sources of supply was responsible, in no small way, for the establishment of a facility within BUSAF for complete manufacture of front seat frames for the all South African Ranger.

From that base the business expanded into rear seat frames, other customers were enlisted, additional products were added and today the Auto Components Division of Dorbyl Automotive Products (Pty) Ltd, is a major supplier to General Motors and the motor industry as a whole

Their products, many of which are made under license to reputable overseas manufacturers, include:

- Seat frames
- Seat slides and height adjusters
- Seat recliners
- Pullmaflex pads
- Window regulators
- Door hinges
- Door locks
- Window channels
- Light chassis
- Various steel pressings
- Plated bumpers
- Jacks and fuel tanks

A wealth of product and a wealth of technical expertise has been built up to continue our valuable and lasting association with General Motors and the Motor Industry in general.

Forging and Machinery Division

The Forging and Machinery Division was established in 1965 as G K V and since then has grown to become the major manufacturer of propshafts for General Motors and S.A. Motor Industry. The range covers cars, "bakkies", trucks and buses up to 20 000 kg gvm

Recent expansion and acquisition has introduced Rack and Pinion steering gears and constant velocity driving axles for front wheel drive vehicles, into the product range. Here again General Motors are to the fore in helping to pioneer the incorporation of such high technology and locally made components in their vehicles. One of the first to do so.

The steel forgings required in the above products as indeed those that are contained in engines, suspensions, rear driven axles, struts and steering systems are produced, where required, in its for shops in Uitenhage, Rosslyn and Atlantis. These facilities are fully supported by the most modern back up services including design, engineering and metallurgical expertise. High technology demands Quality. That's why we're in business with General Motors

Robotics and Computers

The General Motors Corporation's pioneering efforts in robotics began in 1961, when a robot was used to unload a die casting machine. With some 2 000 robots in place today, the Corporation expects to have 5 000 installed by 1985

GM has the only optically-directed arc-welding robot in the industry. The robot is showing excellent results. Several GM plants are also using robots equipped with laser range-finding devices to inspect critical dimensions of car bodies to achieve more precise body fits. Another operation uses perhaps the most sophisticated robot system in the industry — the Numerically-Controlled (N/C) painter — which switches from

body style to body style and from colour to colour automatically

While most robots are blind, dumb and insensitive to touch, GM is beginning to duplicate — at very primitive levels — some human sensory capabilities. For example, the sensory capability of the arc-welding robot is another step in a continuous movement of introducing artificial intelligence into the "Factory of the Future."

Over the past 20

years, GM has been a leader in the development of Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) systems. The three basic elements of CAD/CAM are product design, production planning, and production engineering and tooling. CAD/CAM enables GM engineers to access more data that can be statistically analysed interactively with a computer. This ability results in improved quality, reduced costs and shorter development times — advantages which have significantly helped the corporation in its

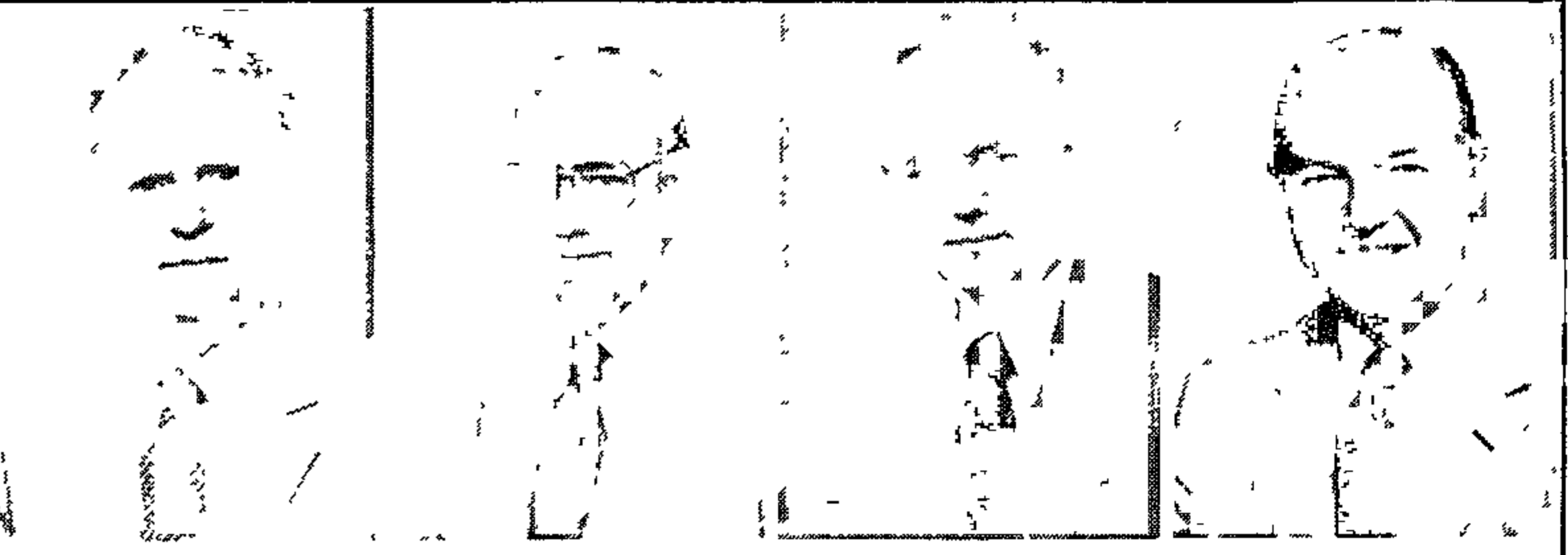
downsizing programs

The largest growth in the use of computers in the next several years at GM will be in manufacturing. GM engineers predict that CAM will provide significant contributions to production of more complex vehicles with better quality at lower manufacturing costs

Computerization has helped to revolutionize automotive technology. The Computer Command Control system introduced on some GM cars, for example can make thousands of cal-

culations a second, and by constantly adjusting the air-fuel ratio and spark timing, greatly improve engine efficiency

The use of computers in the future will be expanded to areas such as transmission, suspension systems, electronic displays, braking and more sophisticated fuel-injection and navigation systems. At present, one GM test vehicle already is equipped with three on-board navigation systems, two of which have a display system that features digitally-stored maps, automatic paging and selectable map scales. Eventually, use of such systems may replace conventional road maps with map cassettes.



Roger B. Smith, Chairman; Reuben R. Jensen, Executive Vice President; Howard H. Kehrl, Vice President; F. James McDonald, President

Top GM executives look at the next 25 years

The past 75 years saw dramatic changes take place in the motor industry. Dramatic changes, in many cases initiated by General Motors. How do top GM executives foresee developments in the industry during the next 25 years?

Roger B. Smith (Chairman of GM Corporation)
"It's the mid-1990's. In intense competition, GM has again strengthened its position as the world's leading producer

In the assembly and processing plants, highly sophisticated flexible automation now perform many tasks. In some of the larger machining operations, production continues virtually unattended through the night after the second shift has gone home and turned out most of the lights

"Workers are more highly skilled and trained. Many work without direct supervision and with full authority and responsibility for their part of the operation. They are aided by a ten-fold increase in computer power to control the machines and help measure and chart every critical process to create a complete statistical control record for every vehicle

"Being easily reprogrammable, the flexible automation allows for shorter production runs which are sometimes necessary for just-in-time inventory delivery, for faster changeovers when the market shifts, and also for a high degree of individualisation of cars which share common parts."

F. James McDonald (President of GM Corporation)

"In the next 25 years, as GM strives for even greater excellence, the quality of its products will be unsurpassed. And well before the next 25 years are done, the Corporation, its employees and their unions will fashion a new relationship to replace the traditional adversarial conflict that existed in the past. In its place will flourish a co-operative spirit, born of the realisation by management and employees alike that to be competitive we have to work together.

"I can make these predictions with little fear that history will prove them wrong because improvements in both quality and on-the-job relationships already are spreading throughout the company, and as they do, they strengthen and reinforce each other"

Howard H. Kehrl (Vice Chairman, GM Corporation)

"By its 100th anniversary, General Motors will be producing a variety of vehicles that do not run on petrol or diesel fuel

"The most widely used alternative fuel will be methanol made from coal and perhaps also from natural gas if large domestic discoveries continue to be made. In addition to methanol, synthetic petrol and die-

sel fuel will be produced from both coal and oil shale.

"Electric vehicles for urban use will be more common, but electric cars will face intense competition from vehicles powered by compressed natural gas. Owners will refuel their natural gas cars at home by tying into the domestic utility gas line. Like electric, natural gas cars will be very small and have a limited range.

"Electronic systems will control or monitor nearly every major vehicle function. Braking will be computer controlled. Suspension will be electronically adjusted — either automatically to match the load or road surface, or at the discretion of the driver

"All the major systems of a vehicle will have electronic self-diagnostics by the year 2008, and growing attention will be given to prognostics — the automatic monitoring of components and functions by electronic systems which alert the driver to potential problems so that they can be avoided.

"In our plants, microprocessor controllers, tied together by a supervisory computer, will automatically direct complex assembly and manufacturing operations.

"Called the 'Factory of the Future' by some,

this fulfillment of the promise of computer-aided design and computer-aided manufacturing will revolutionise the way products are produced."

Reuben R. Jensen (Executive Vice President, GM Corporation)
"The next 25 years will see GM become involved in an increasing number of joint ventures — both to produce and exploit production technology developed by the company

"At the same time, the major global producers will expand their international sourcing of components. Alliances between producers will be increasingly common as competition intensifies and becomes even more global in nature.

"Some of the world's markets will still require specific vehicle features or characteristics, either to satisfy customers or meet local regulations. But the growth of international sourcing of components and the significant progress in the so-called 'harmonisation' of various national automotive regulations will have a true 'world car' well on its way to becoming a reality

"High technology products or processing are most likely to be located in the United States, even as additional countries become a part of the global auto industry"

GM Innovations 1927 — 1983

1927 — Cadillac becomes first car to display dual tail lamps.

1928 — Shatter-proof safety glass introduced in all windows of 1929 Cadillac and LaSalle models.

1934 — First barrier impact test conducted when GM cars are directed into a retaining wall at low speeds.

1940 Guide Lamp announces the first day/night inside rearview mirror to reduce glare from following traffic at night — appears initially on 1942 Cadillacs.

1941 — Fisher Body introduces four-door sedans with free wheeling feature for inside door release handles; when the lock button is pushed down, handle will not open the door.

1954 — Oldsmobiles are built with electric windows wired through the ignition to prevent being operated by children left unattended in a parked vehicle with the engine turned off

1958 — Buick adopts finned, aluminum brake drums for faster brake cooling.

1966 — GM co-operates with other auto and glass manufacturers to develop high penetration-resistant windshield glass incorporated into 1966 models.

1968 — Fisher Body introduces child safety seat to protect one-to-four-year-olds from interior collision

1971 — Pontiac unveils first maintenance-free sealed battery

1972 — Oldsmobile adopts first disc brakewear indicator to warn drivers when front brake linings should be replaced.

1973 — GM full-size models display the first front indicator so a visual determination can be made of the need for ball joint replacement. GM manufactures first production car equipped with air cushion restraint system on 1974 full-size models.

1974 — GM installs catalytic converter on all 1975 cars sold in U.S.

1980 — First automatic seat belt that combines both lap and shoulder belt in one assembly is offered on Chevette as option. GM installs Computer Command Control system on all 1981 petrol powered cars sold in U.S.

1983 — GM initiates first U.S. field test of new type windshield with additional layer of plastic film bonded to interior surface to help prevent facial lacerations if the occupant strikes the windshield during a collision

Established in 1875 the original firm of Joseph Lucas really got started with the manufacture of a patented ships paraffin lantern which stayed afloat under all circumstances at sea short of total immersion.

The business developed into the manufacture of a range of cycle lamps sold under the slogan "Kings of the Road" which was to become famous, and gradually extended its interests into motor vehicle lamps and the necessary charging equipment for the battery, until between the wars a complete range of automotive electrical equipment was being offered, and there wasn't a motor manufacturer in England that didn't rely on Lucas to provide their electrical needs.

After World War II a completely new philosophy of a full range

of Standard Electrical Equipment available at very keen prices was successfully promoted amongst the customers, and as the British Motor Industry spread out into the world, Lucas went with them and supported their activities wherever local content was required.

The essence of the formal South Africa local content programme began to emerge around 1965 at which time Lucas sent a team to the country to investigate the possibility of establishing a factory here. The team returned to the UK with an enthusiastic recommendation to invest, and by the time the local content programme was finally introduced in 1970, the Lucas factory at Florida on the West Rand was already nearing completion.

At the time of the sur-

vey in 1965, General Motors were, of course, amongst the very few manufacturers with a solid background of experience in South Africa with a properly established purchasing organisation and were, therefore, in the forefront of those encouraging Lucas to participate in the enormous prospects the country offered.

When the first products began to roll off the brand new assembly lines, GM were as good as their word and supported this new operation with orders to provide the Starter Motors and Alternators which were now being made for South African material, and thus qualified for the now all-important local content certification.

Seeing South Africa as one of the major potential growth markets

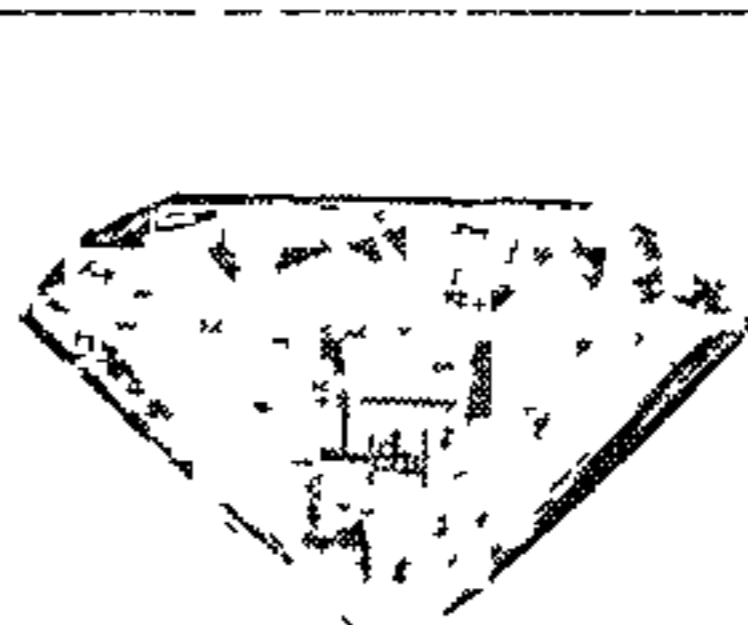
in the world, the Lucas management have no hesitation in making substantial investments in the ongoing expansion of their resources in the country.

As a result the original Lucas premises have been more than doubled in size since the start, and now included comprehensive test and development to match the requirements of the now sophisticated South African Motor Industry.

In 1981 the Lucas South African designed an Alternator of unique construction specifically to meet a General Motors requirement. This machine had the virtue of providing the wide variety of mounting features needed from just one pair of diecast housings, at the same time reducing the machining operations required to an absolute minimum, and the de-

sign expertise demonstrated resulted in the team being presented with one of the SA Design Institute's Awards for that year.

Lucas have thus kept abreast of new technology as it emerged from Europe, and their local design team have adapted the latest Lucas products to suit the Opel Engine range now so successfully established by General Motors, so that Lucas is honoured to continue in the role of a major supplier to General Motors, and look forward to remaining in this position through the exciting years to come.



Southern Star keeps GM wheels rolling

Twenty years ago the Southern Star organisation started operations as a vehicle shipping company — today, with General Motors South African as its biggest, oldest customer, thousands upon thousands of vehicles have been shipped throughout the country.

Vehicle shipping operations started in August 1963. The following year Southern Star began shipping GM products from Port Elizabeth to dealerships on the Reef. A reliable swift service resulted in Southern Star being awarded the full contract of delivering GM products to its country wide dealer network in 1970.

Today Southern Star, based in Johannesburg, has branch offices in Durban, East London, Port Elizabeth and also depots in Bloemfontein and Kaalfontein.

Southern Star deliveries are done by road, rail and ship and the company employs more than 300 drivers, who take the utmost care in delivering the vehicles to various destinations.

A milestone in Southern Star history was the opening of an engineering workshop in Port Elizabeth earlier this year. Commercial vehicle customising and chassis extensions and passenger accessory fitment are carried out at this workshop.

Colour for General Motors

AECI has been the major supplier of coatings to General Motors for 35 years, that is since the introduction of import control in 1948. Prior to this, paint for the industry was often included in the CKD pack (GM at one time brought their paint into the country in the form of base colours from which finishing shades were mixed and colour matched by GM themselves). Import control provided the opportunity for AECI Paints to show that it was capable of providing the materials

the industry required, and in short space of time, imported automotive paints virtually disappeared from the local scene.

There were many problems in those early days, the paint shop was primitive by today's standards and were not as tightly run as they are now. However, labour was no problem and words like productivity, head count and quality circles, were unknown to most of us.

The topcoats were Duco nitrocellulose lacquers requiring force

drying and then compounding and polishing to produce a glossy surface. It was quite amazing to see how easily European women on the compounding deck, some tough cookies among them, handled the heavy polishing mops. A lot of money was spent putting paint onto the car and in ensuring dirt was absent during spraying and drying operations and then again a lot of money was spent compounding down the paint and so creating more dirt and dust to make clean units

more difficult to obtain.

At the end of 1959 AECI introduced du Pont acrylic lacquers into GM — lacquers with much improved appearance and gloss retention, the latter especially important for metallic shades.

Our early acrylic lacquers also required polishing and compounding but a few years later second generation acrylics were introduced giving showroom appearance without polishing, achieved by the "Thermal Reflow" process, whereby high temperatures were used to "melt" the paint causing it to flow out to

a smooth glossy surface.

Today GM are using thermosetting acrylic synthetics and the latest two coat metallic technology from Glasurit, Germany, providing metallic finishes of superb gloss retention, with the metallic particles sealed in by a transparent clearcoat and so protected from the elements.

Priming materials too have been improved greatly over the years and the latest epoxy primer surfacers in use today offer improved chip and corrosion resistance.

AECI Paints serves GM from their 38 acre

site at Struandale on which is located one of the most modern paint factories on this Continent as well as an Automotive R & D Laboratory, recently greatly extended and provided with computer colour matching equipment and pilot plant resin facilities. On this site some 20 — 30 million litres of coatings are produced each year, not only for the automotive industry but also for the vehicle repair (refinish) industry, another market where AECI Paints are leaders.

It is AECI Paint's policy to ensure that the

most modern and sophisticated coatings systems are available to the SA Motor Industry at all times and as part of this commitment, for example, recently invested R9 million in increased resin making capacity for the production of PPG Cathodic Electrocoat, the most advanced anti-rust protection available. By maintaining a vigorous R & D programme and frequent contact with the world's major research centres AECI will ensure that the finishes on GM cars and trucks are the best available and most suited to our tough climate.

GENERAL MOTORS, WE'RE PROUD TO BE RIGHT BEHIND YOU, RIGHT BESIDE YOU AND RIGHT IN FRONT OF YOU.

PILKINGTON SAFETY GLASS

Pilkington Safety Glass have supplied the motor industry for many years with Armourplate toughened safety glass for side and rear windows.

Armourplate toughened Safety Glass is approximately four times stronger than ordinary glass, and when broken, it fractures into relatively small harmless particles.

Pilkington Safety Glass was the first company in the Southern Hemisphere to introduce a new horizontal toughening furnace. This revolutionised production techniques and made the company a world leader in toughened safety glass.

General Motors have honoured the high product quality and reliable service of Pilkington Safety Glass by giving them the QUALITY AWARD every year since its inception in 1972/73.

SHATTERPRUFE LAMINATED SAFETY GLASS

Shatterprufe have supplied General Motors with windscreens since 1929. And today, Shatterprufe is still the only laminated safety glass used for windscreen application. It consists of two sheets of ordinary glass laminated to a super-tough, impact resistant vinyl interlayer. On impact, the glass may crack, but the interlayer holds it together. Preventing windscreen penetration and injury from flying glass.

And through the years General Motors have recognised Shatterprufe's continuing commitment to quality of product and service, with the QUALITY AWARD — which Shatterprufe have earned every year since its inception 10 years ago.

SHATTERPRUFE AND PILKINGTON. SUPPLYING CARS WITH CLASS, WITH GLASS.

ARMOURPLATE



PILKINGTON



SHATTERPRUFE

The World Car and its challenges

General Motors' strong commitment to international automotive competition follows naturally from more than 52 years of major worldwide operations.

In the early days of the automotive industry, GM was primarily an exporter of American-built vehicles. Over the years, the Corporation has developed into an international motor vehicle manufacturer.

Recent events have sharpened the awareness of U.S. auto manufacturers and consumers that auto-industry competition does not stop at the U.S. border, nor are automobile manufacturing and sale compartmentalized by country. This reality has spurred both domestic and foreign efficiency to meet the world's varying demands for private transportation.

The international automotive market is already large and shows every sign of increased growth. GM estimates that global auto sales

will approach 50 million vehicles by 1990. General Motors intends to take full advantage of these opportunities with improved assembly, manufacturing, and marketing capabilities, and is investing more than 8 billion dollars overseas between 1980 and the end of 1984.

The "world car" concept is one way for GM to achieve the efficiencies necessary to compete worldwide. At General Motors, the term "world car" denotes a business concept rather than any one specific vehicle.

The two key elements of GM's world car concept are:

- * An advanced basic design concept leading to vehicle designs which meet critical worldwide standards and which can be modified to meet customer demands and tastes and the requirements of national governments.
- * The sourcing of components worldwide wherever possible.

The world car is actually a family of cars of similar external dimensions produced in different countries. The concept has a number of advantages for General Motors' international operations:

- * These cars can be adapted to use a number of similar or interchangeable parts and components. Further, putting the world car concept into effect assures that the best talents and resources of GM's worldwide organization are available to each unit.

The "J" car product line offers a range of models, tailored to the needs and desires of customers in various countries.

- * Designing a family of vehicles also provides General Motors with sufficient flexibility among source plants to allow incorporation of any engineering changes needed to meet local customer demands and government regulations.

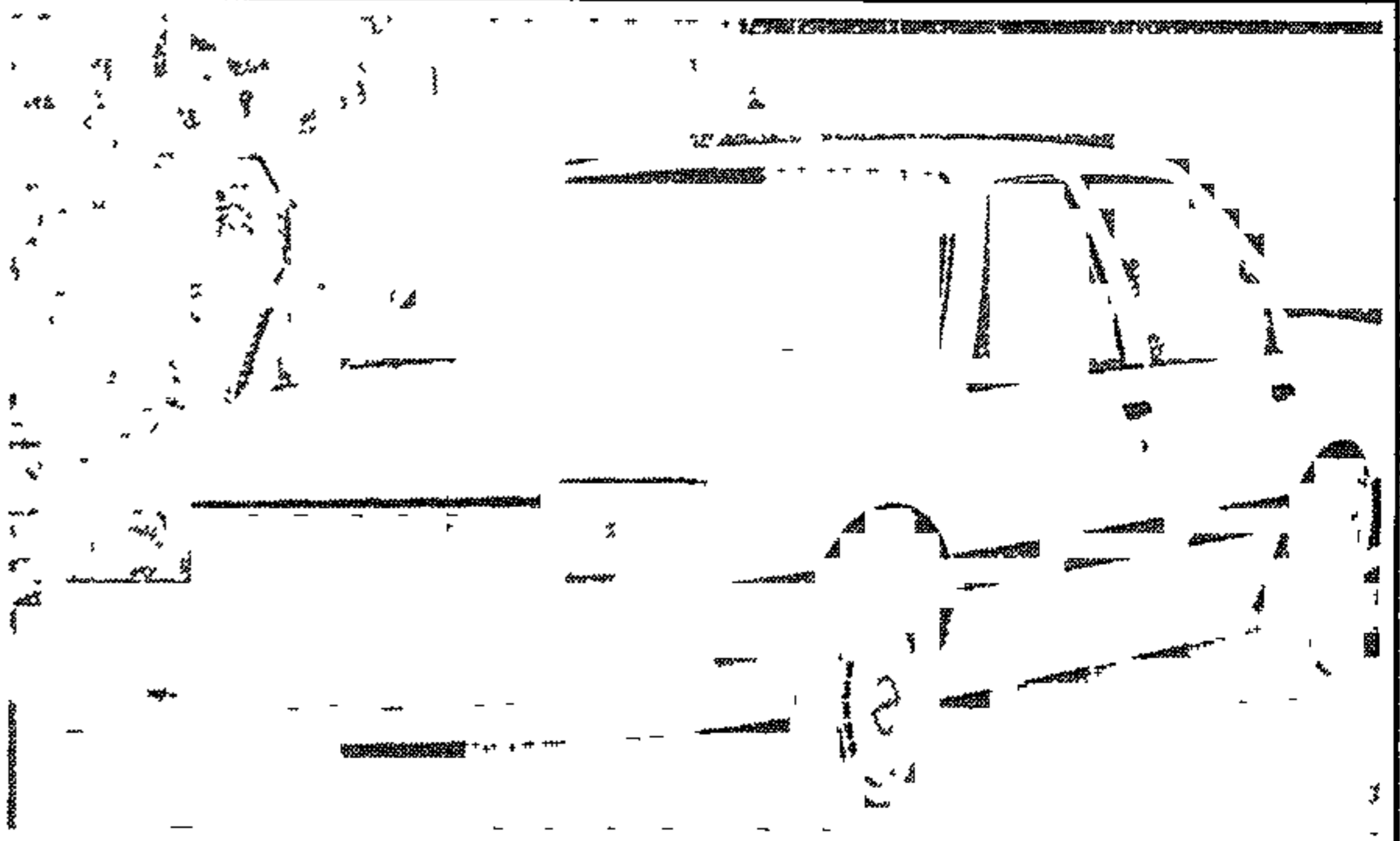
ed to meet local customer demands and government regulations

- * Vehicles can be produced in optimum volumes to achieve economies of scale. These cars can be sold in countries where they are manufactured and assembled, as well as in countries with similar market requirements.
- * Components can be produced in several different geographic locations at economical volumes. Export of these components generates foreign exchange for the country and import credits for General Motors.

An integrated global approach improves engineering effectiveness, reduces tooling and production cost, provides economies of scale for both components and finished products, and increases manufacturing and supply flexibility. Together, these benefits enable GM to compete more effectively, not only in the United States, but around the world.

General Motors' world car concept offers major benefits to consumers around the world and to the various nations in which GM operates. Consumers worldwide do not have to sacrifice personal transportation as energy resources become scarce.

Because of the world



The Opel Ascona South Africa's 'J' car

car concept, countries which might not have the resources to totally design and tool a new car on their own, will have a "J" car model. This is possible because of GM's ability to export high-volume products in exchange for the import of items which are not economically feasible to produce in the country.

Although the world car concept is relatively simple, its implementation is not. Non-tariff barriers, such as certain local content requirements, national or regional safety and environmental standards, individual test procedures, and local inspection requirements —

remain major obstacles to open international commerce for the auto industry.

Vehicle lighting requirements provide one good example of how difference in national standards can add significantly to customer's costs — often without returning any real benefit.

Each nation obviously thinks its standards are best. But above all conflicting requirements must be eliminated if greater global automotive trade is to be achieved. While progress is slow, there is reason for optimism.

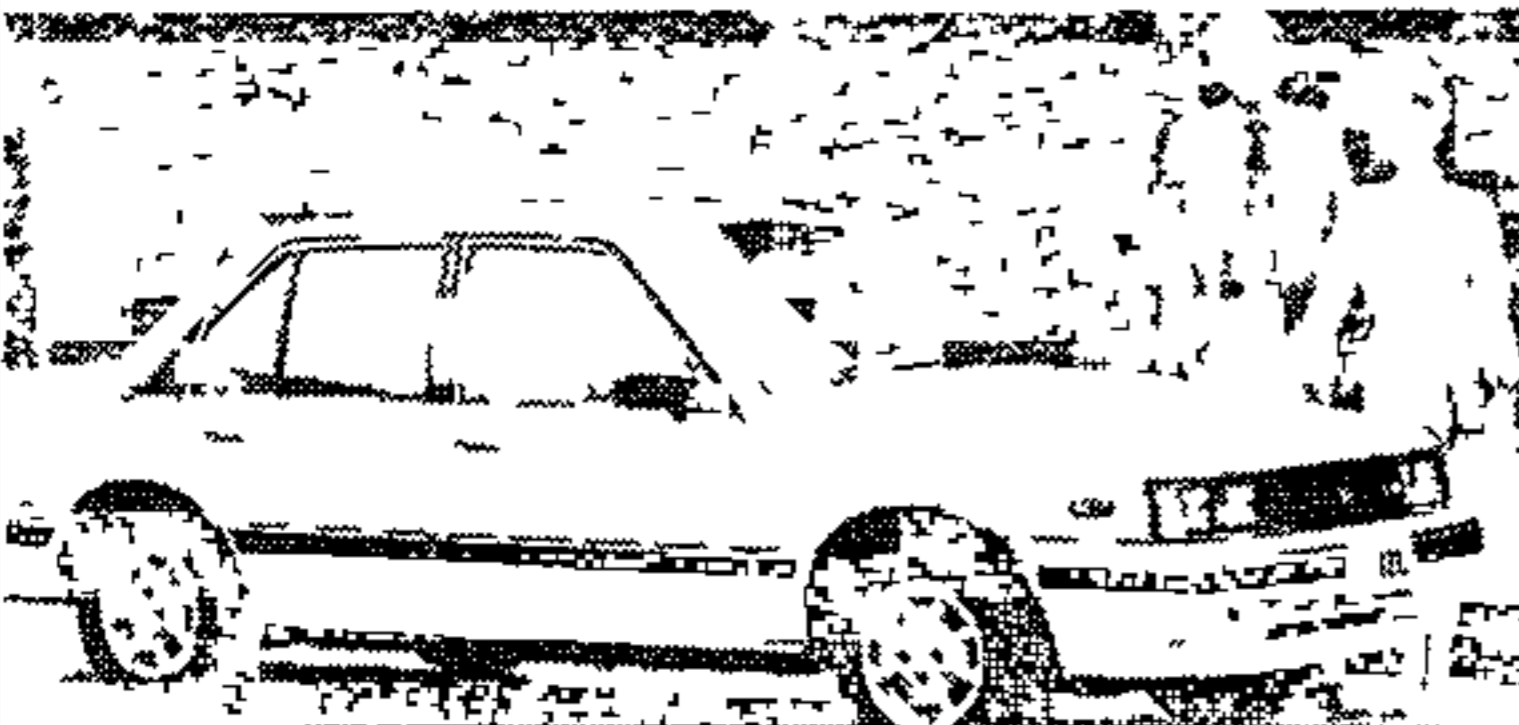
Developing nations, which regard a healthy

domestic automotive industry as essential to their economic well-being and their future industrial development, are particularly likely to establish local-content

With very few exceptions, General Motors has succeeded in working with such countries

Indeed GM has successfully reconciled its business interests with those of its host countries. General Motors has found that host countries and worldwide companies often agree on the way businesses should operate. When GM considers a trade restriction or industrial policy unreasonable, the Corporation tries to work out an acceptable way to achieve the host country's desired goal.

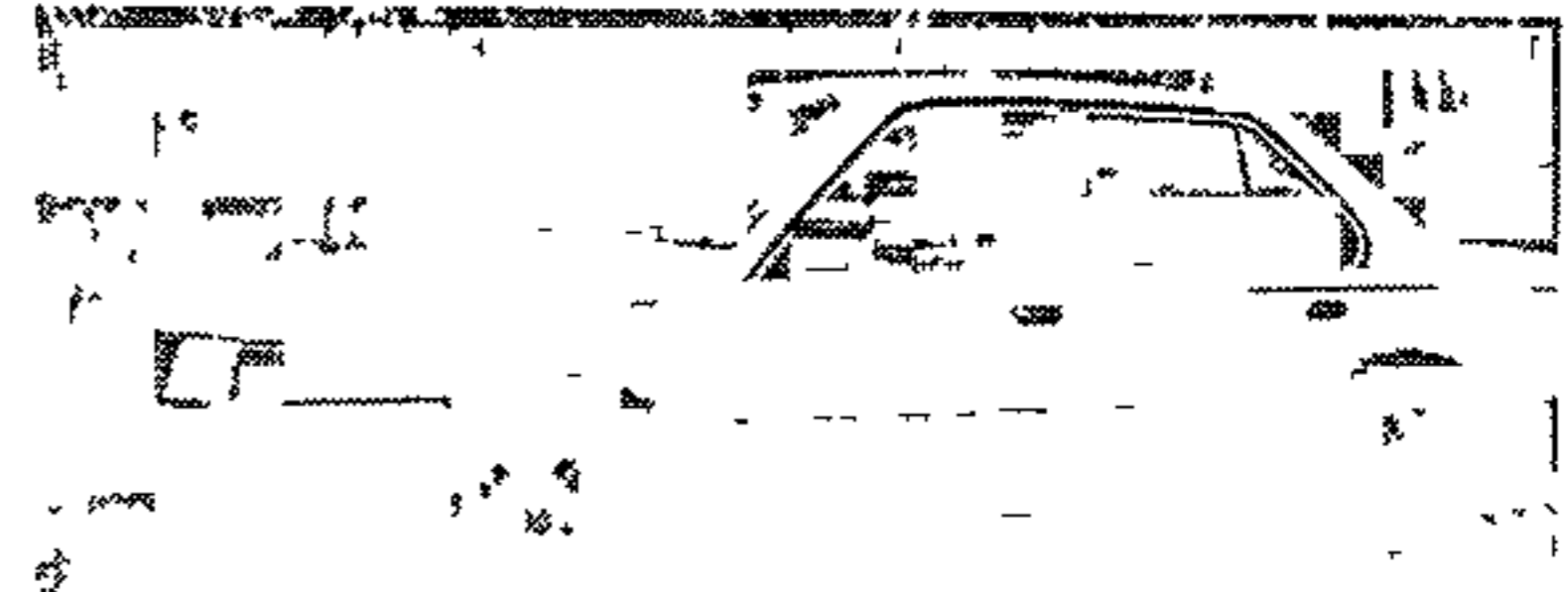
General Motors currently is working with several governments encouraging them to use more flexibility to resolve many of the obstacles caused by their local content and vehicle standards requirements.



The Aska, Japan's 'J' Car



The Cavalier, Britain's 'J' Car



The Camira, Australia's 'J' car

A wealth of experience in precision engineering and quality control contributing to the wealth of South Africa.



BORG WARNER

P.O. BOX 388, UUTENHAGE 6230 TELEPHONE (0422) 29102

GM operations going global

General Motors traces its worldwide automotive heritage to the formation of the GM Export Company in 1911 — three years after the founding of GM itself.

During its first three years the GM Export Company shipped a total of 100 fully assembled Buick passenger cars from the United States. Less than a decade later, GM trucks and cars were in use around the world.

In 1923, General Motors established GM International, its first overseas assembly operation, at Copenhagen, Denmark. Shortly thereafter, GM decided to manufacture components and cars more suited to European needs and tastes, and acquired Vauxhall Motors in England in 1925 and Adam Opel in Germany in 1929.

During the 1920's and 1930's while the GM Export company continued to export vehicles to countries where the Corporation did not manufacture or assemble them, GM added new assembly operations around the world.

In 1938, the Corporation reorganized its international business and formed the GM Overseas Operation Division. GM was then selling more than 350,000 cars and trucks outside the United States and Canada.

Following World War II, the division grew rapidly, expanding operations in

Australia and Brazil into major manufacturing facilities.

In 1978, Overseas Operations was elevated from the level of division to that of General Motors' group.

GM's current international vehicle lineup is sourced worldwide and is specifically designed to meet customer demands and government requirements in each country where models are produced and sold.

An example of the 'J' cars are the Opel Ascona in South Africa, the successful Vauxhall Cavalier in Britain and Camira in Australia. In April this year, Isuzu Motors introduced its 'J' car — the Aska — in Japan.

Overall, GM's international operations today are well positioned with a full line of products and new modernized facilities to meet anticipated growth.

In 1982, GM sold more than 1.7 million vehicles outside the United States and Canada — an increase of 7.2 percent over 1981. Today, the company has major assembly and sales operations in 36 countries outside the US and Canada.

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test vehicles for durability, conduct experiments to improve fuel economy, evaluate overall performance as users would, study vehicle safety by checking the vehicles' ability to withstand collisions, develop brakes, and conduct vibration tests for rigidity.

In addition, there are also groups that study performance, noise and durability of the mechanical and electrical parts.

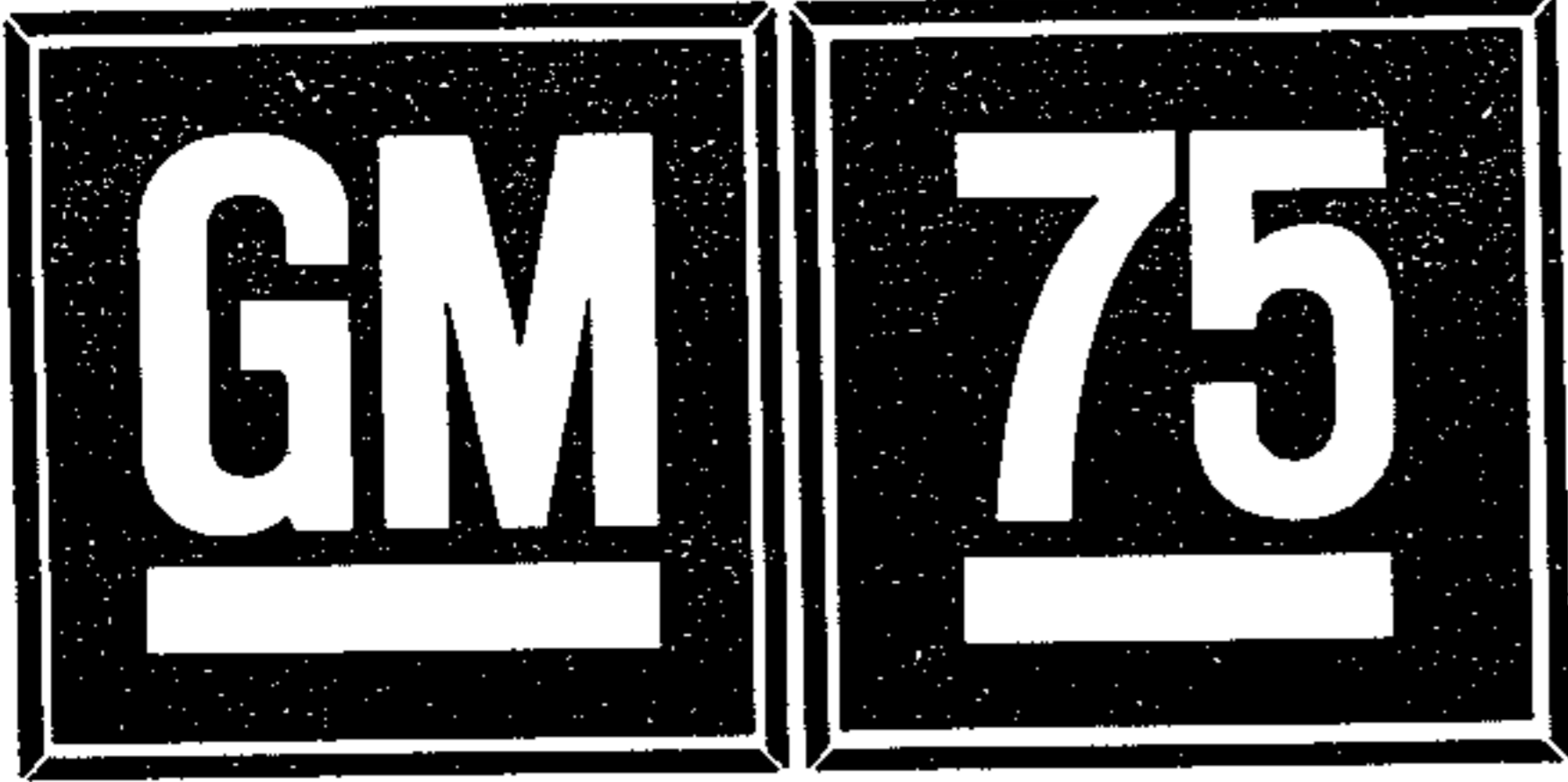
The facilities for conducting research and tests are in the Kawasaki Plant, Fujisawa Plant, Tochigi Works and the Hokkaido Proving Ground where various tests are conducted to ensure that vehicles sent to the market place are safe and of high quality.

Isuzu's advanced technology is in

evidence wherever research is conducted — technology ranging from laser holography for checking rigidity to computerized analyses and automated laboratories.

Just outside Port Elizabeth General Motors continues with track testing to ensure that the vehicles available in South Africa maintain the high standards set in Japan. The actual track conditions are so severe that the distance travelled can be multiplied by a factor of six. Following the tests, modifications are made to tailor the product to best suit local operating conditions — all being carried out with the fullest co-operation from Isuzu Motors in Japan to ensure that a top-quality vehicle is made available to the South African user.

29/11/83



General Motors 75th Anniversary

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BUILDING ON 75 YEARS OF EXCELLENCE

S. Times

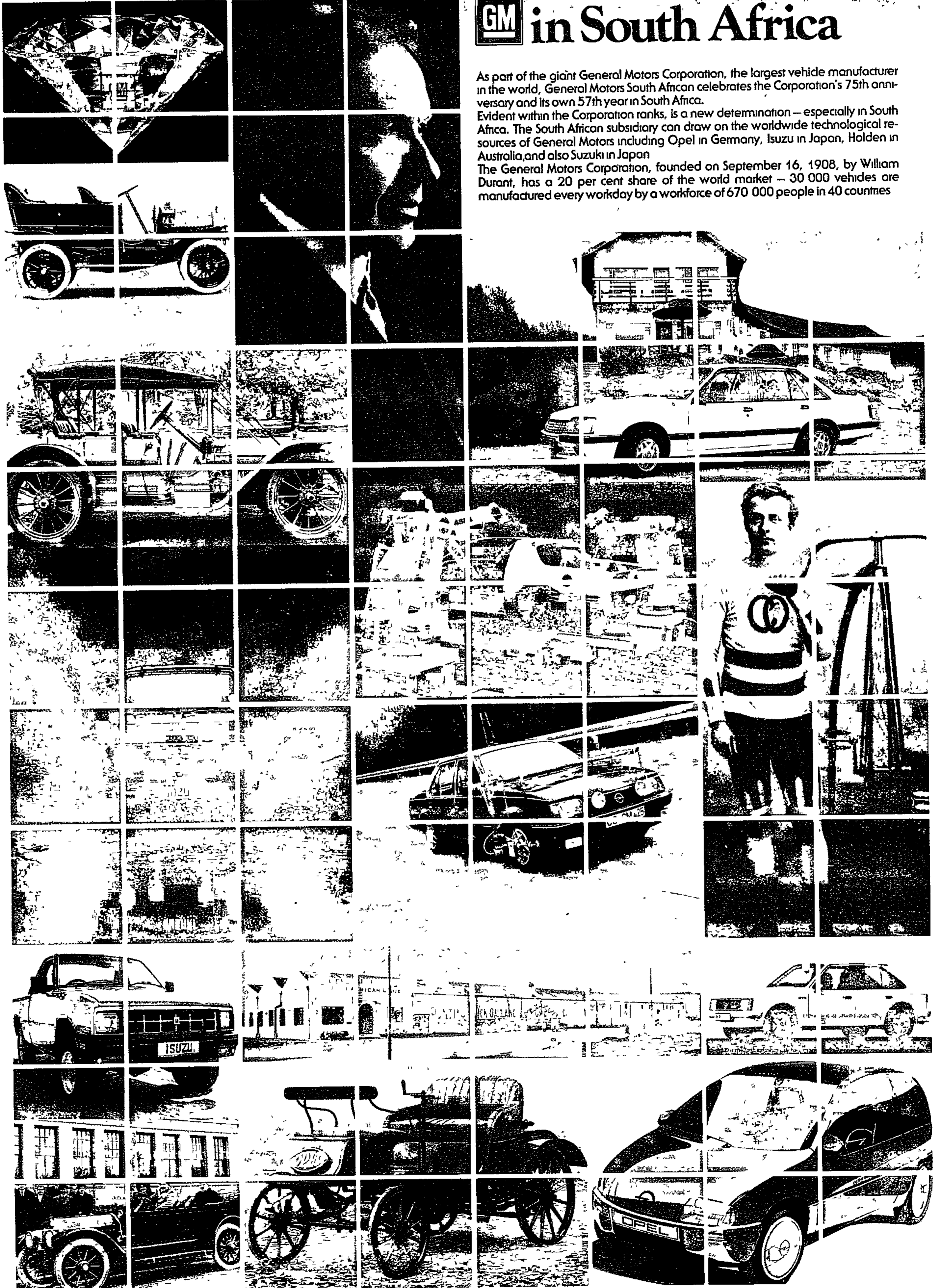
NOVEMBER 1983

GM in South Africa

As part of the giant General Motors Corporation, the largest vehicle manufacturer in the world, General Motors South African celebrates the Corporation's 75th anniversary and its own 57th year in South Africa.

Evident within the Corporation ranks, is a new determination — especially in South Africa. The South African subsidiary can draw on the worldwide technological resources of General Motors including Opel in Germany, Isuzu in Japan, Holden in Australia, and also Suzuki in Japan.

The General Motors Corporation, founded on September 16, 1908, by William Durant, has a 20 per cent share of the world market — 30 000 vehicles are manufactured every workday by a workforce of 670 000 people in 40 countries.



General Motors takes the road

The foundation of General Motors on September 16, 1908, drew little attention and success for the young concern was not predestined. Of the nearly 1000 companies that tried to build and sell motor vehicles prior to 1927, less than 200 continued in business long enough to even offer a commercially suitable vehicle.

Prior to the 1920's the companies that comprised the General Motors company were financially weak and operations were unco-ordinated. Then a new concept of management was forged and a new concept of product emerged and it was only then that GM began to prosper.

General Motors' sales for its first full fiscal year ending September, 1909, totaled 25 000 passenger cars and trucks — 19 per cent of total United States vehicle sales.

The nucleus of the fledgling of General Motors was the Buick Motor Car Company formed by David Buick in Detroit and later moved to the town of Flint, Michigan, where William Crapo Durant took control.

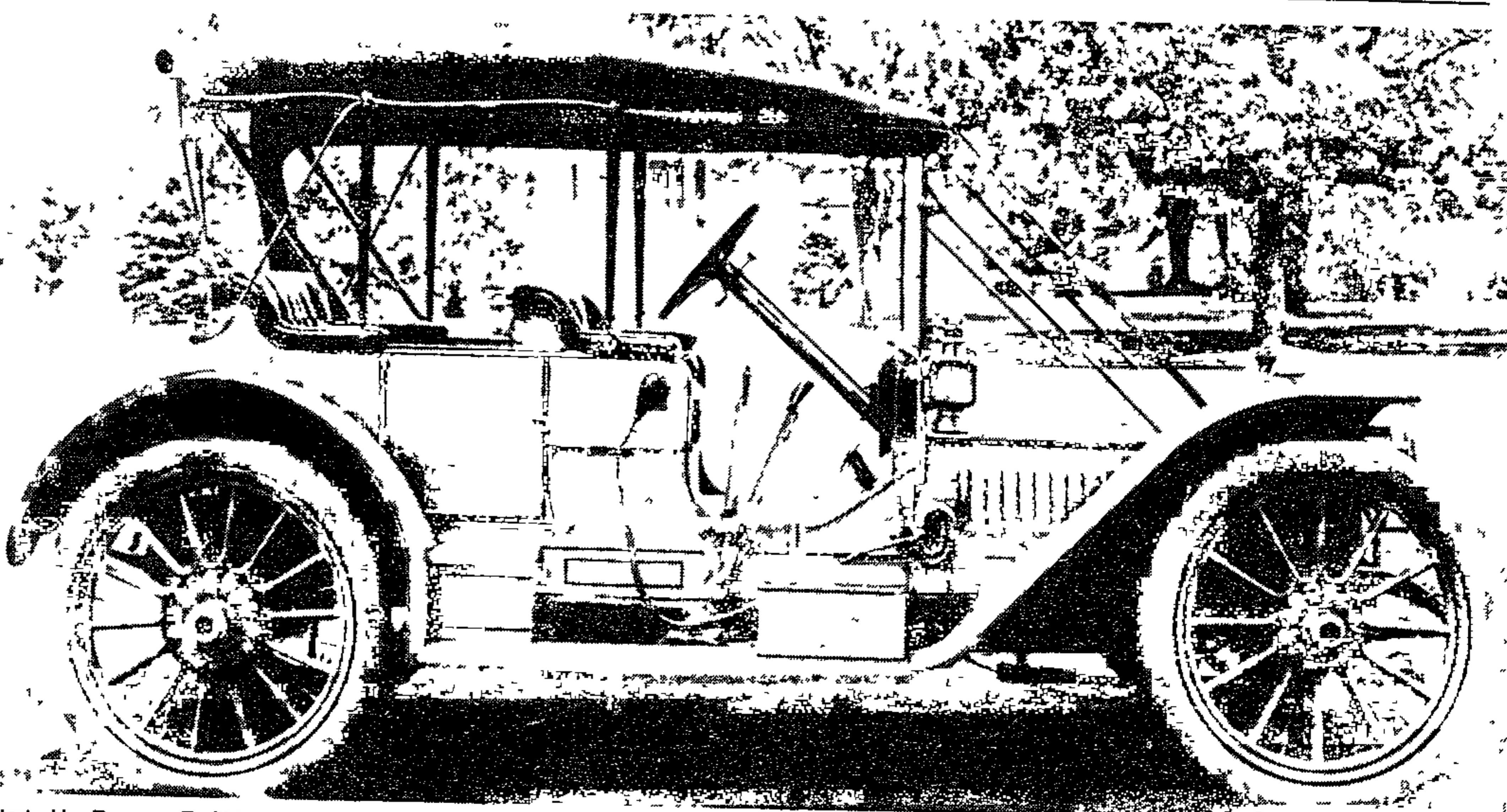
Early members of the infant GM family were Buick, Oldsmobile, Cadillac, Oakland (now Pontiac), Ewing, Marquette, Welch, Scripps-Booth, Sherdan, and Elmore, together with Rapid and Reliance trucks. GM's other U.S. division, Chevrolet, became part of the Corporation in 1918.

By 1920, more than 30 companies had been acquired by General Motors by either controlling part or all of the companies stock.

A testing laboratory had also been established to, according to the annual report of that year, "serve as an additional protection against costly factory mistakes and give the purchaser of every one of our machines an additional guarantee not merely for his comfort, but to assure his safety."

This notion of consulting, advising, fact finding and testing is the genesis of GM's present comprehensive staff organisation. Today it covers fields including, design, engineering, manufacturing, research, industrial relations, marketing, personnel administration and development, procurement, consumer relations and service, environmental activities, industry-government relations, public relations and finance.

The General Motors Company offi-



Started by Ransom E. Olds in Lansing, Michigan, in 1897, Oldsmobile is the oldest United States passenger car manufacturer. This touring car was one of 1145 automobiles sold by Oldsmobile in 1908 — the year that General Motors was founded.

cially became General Motors Corporation on October 13, 1916, when incorporation papers were filed in Delaware. By August 1, 1917, the new corporation had acquired all the stock of General Motors Company, which

was formally dissolved two days later.

Durant had created an enterprise that in 1908 consisted of just one truly successful vehicle manufacturer (Buick) but it also contained the building blocks for the future to become a

multifaceted corporation.

However, by 1920, in the midst of a nationwide economic crisis, GM was on the verge of financial collapse. The crisis marked a turning point in General Motors history.

A new concept of management and products emerged while coordinated policy control replaced the uncoordinated efforts of prior years.

As principal architect Alfred P. Sloan, took control and he was to guide General Motors from May 10, 1923, until April 2, 1956, first as president and then chairman.

Sloan not only succeeded in creating an organisation structure which saved General Motors, but also a management concept adopted by countless other businesses.

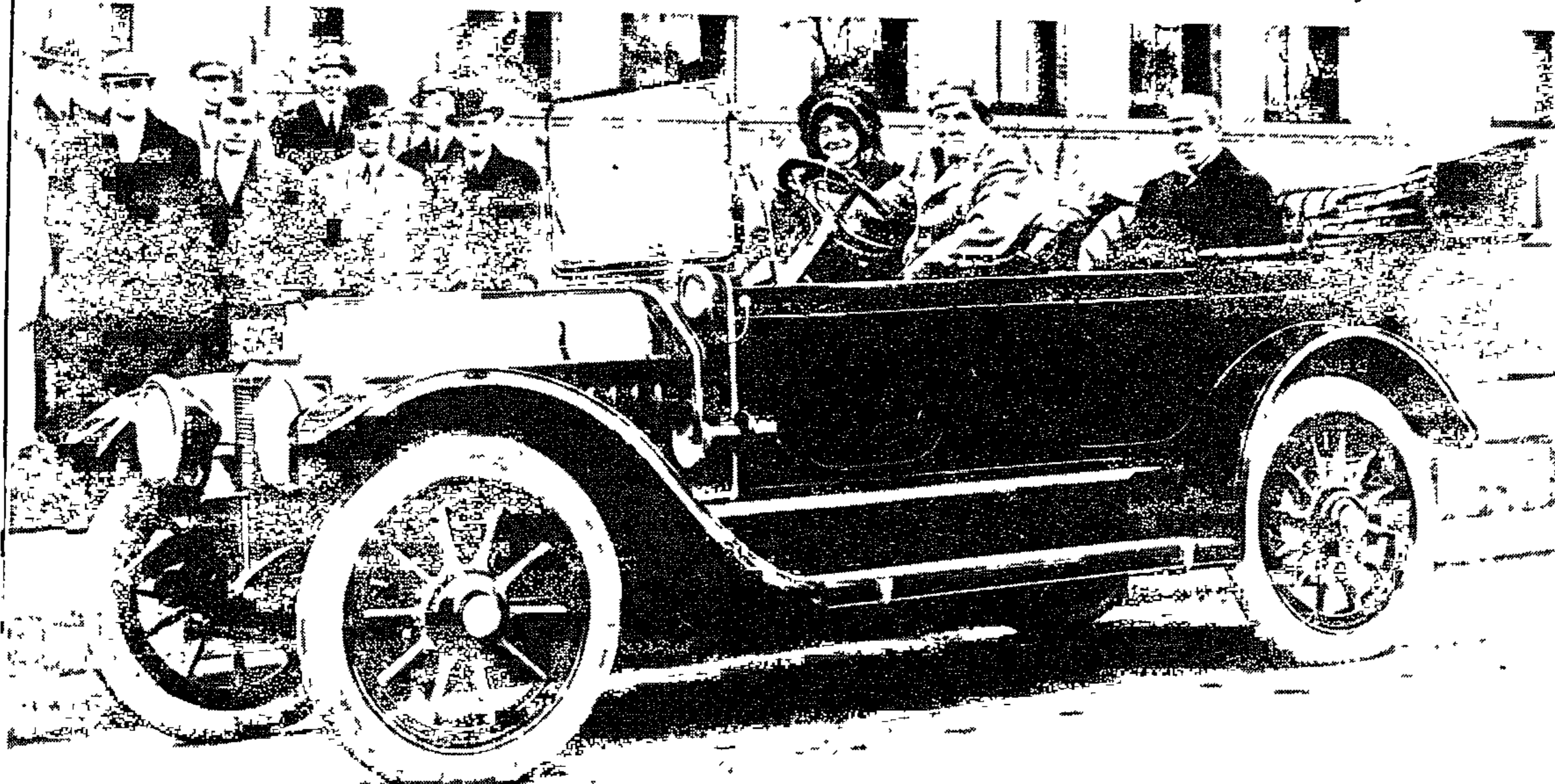
Fundamentally, the concept involves coordination of the enterprise under top management, direction of policy through top-level committees, and delegation of operation responsibility throughout the organisation. Within this framework, management staffs conduct analyses, advise policy committees and coordinate administration.

General Motors became an organisation of organisations, maintaining a balance between the individual and group management, preserving the advantages of each.

The new product concept evolved from the new management system which led to the recognition of the varied nature of the demand for motor vehicles — GM's new approach was "a car for every purse and purpose" and the continued improvement of all its vehicles.

By 1941, General Motors accounted for 44 per cent of total United States vehicle sales —

to page 3



The year is 1912 and Louis Chevrolet, had completed two years of development work at the behest of W.C. Durant (standing far right, with derby). Here they admire the result — the first Chevrolet. At the wheel is Durant's son, Cliff, with his wife beside him. Chevrolet produced 2999 vehicles in Detroit in 1912.

GM & 3M...Leaders in their fields

THE Minnesota Mining and Manufacturing company was formed in the State of Minnesota, USA in 1902, a few years before General Motors, and its early development was closely linked with the Automotive Industry.

Coated Abrasives was 3M's only product line in the early years and the first significant development was a waterproof sanding sheet named "WET OR DRY", which eliminated the problem of dust associated with the automotive sanding systems in use at that time. Several years later when two-tone automobiles were introduced, 3M, who were by then firmly established with the Auto manufacturers of Detroit, saw the need for a more efficient system of masking vehicles whilst painting, and provided the answer with a conformable tape called "SCOTCH" Brand Masking Tape. This became the first in 3M's famous "SCOTCH" brand family of pressure sensitive adhesive

tapes.

For more than 25 years 3M South Africa has been a regular supplier to General Motors South African of abrasives, sealers, tapes, automotive decorative stripes, business equipment and a host of other products and has been the recipient, on more than one occasion, of General Motors Quality Awards.

3M is proud of the fact that, apart from being suppliers to this prestigious company, they are also very satisfied customers, with an impressive range of G.M. vehicles forming part of their fleet.

In congratulating General Motors South African and their Parent Company on their outstanding achievements during the past 75 years, 3M wishes to be associated with the fine philosophies, ethics and worthwhile aspirations which are so evident in General Motors' code of business.

GM engineering innovations 1901-1919

1901 — Speedometers appear first on Oldsmobiles.

1908 — Guide Lamp develops first electric headlamp.

1910 — Cadillac is the first manufacturer to offer closed bodies as standard equipment.

1911 — Cadillac introduces electric starter and generator-battery lighting system on 1912 models.

1912 — Oakland adopts first all-steel body.

1914 — Cadillac is first in U.S. to produce a V-type, wa-

ter-cooled 8-cylinder engine.

1915 — Tilt beam headlamps, operated by handle on dash, are introduced on Cadillac for improved nighttime visibility.

1919 — Buick and others begin to provide nighttime visibility of instruments on dash via indirect lighting.

Guide Lamp makes major advance in headlamp aiming by allowing lamp to be loosened, then swung to appropriate position and tightened in place.

Acknowledgements
"General Motors 75th Anniversary" has been created and produced by MRK Publications. Cover designed by Trio Advertising. P.E. Material supplied by General Motors Public Affairs.

from page 2

compared with 12 per cent in 1921

Then arrived the 50's — the decade of celebrations following the Second World War. The decade called for all-new cars — styling to capture the pent up wartime desire for change. The trend was set for ingenious innovations related to engineering feats.

The early 1970's saw GM embark on an unprecedented program to redesign its entire vehicle line-up for improved fuel economy. The then GM Chairman Thomas A. Murphy — called it 'the most comprehensive, ambitious, far-reaching and costly programme of its kind in the history of the industry.'

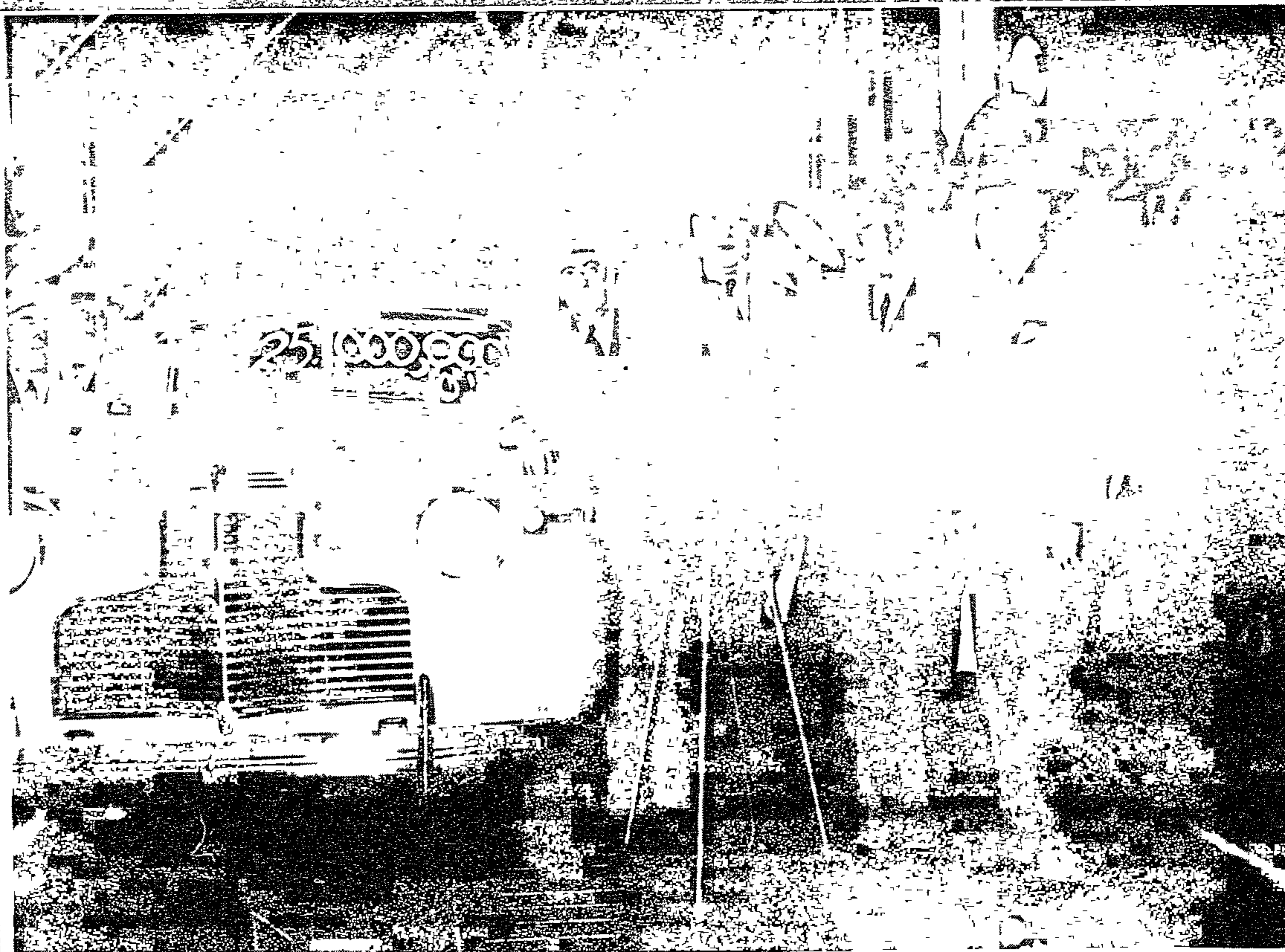
At the beginning of this decade GM launched a programme aimed at redesigning nearly all its cars for a second time and modernising the plant that produces them — expected cost of the four year programme is some R45 billion.

This unprecedented capital spending programme opened the way for dramatic technological progress throughout the General Motors Corporation.

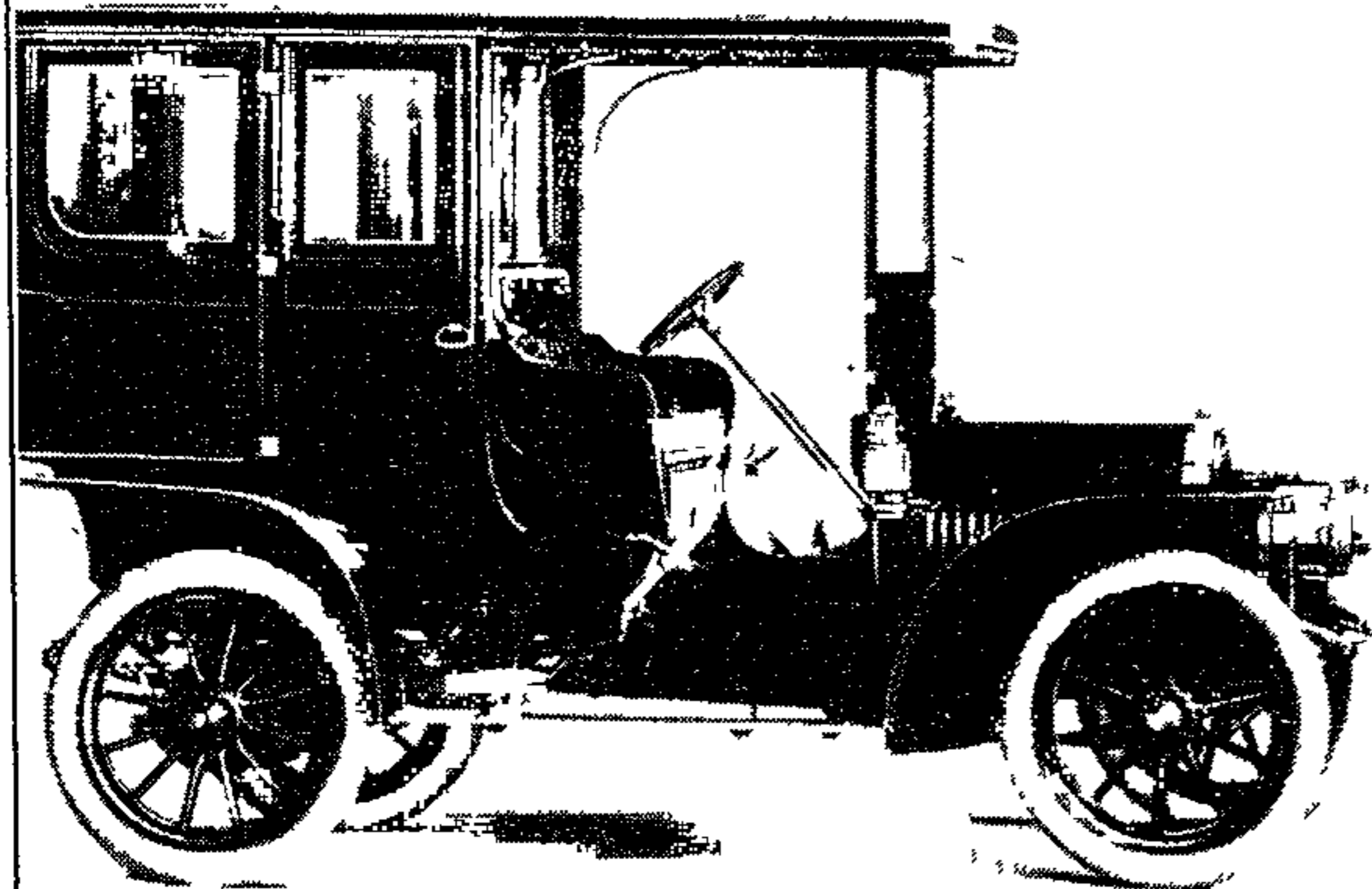
Around the world and also evident in South Africa a new determination is apparent amongst General Motors employees.

This new determination is bound to make a major impression on new vehicle designs and already evident on vehicle engineering and technology.

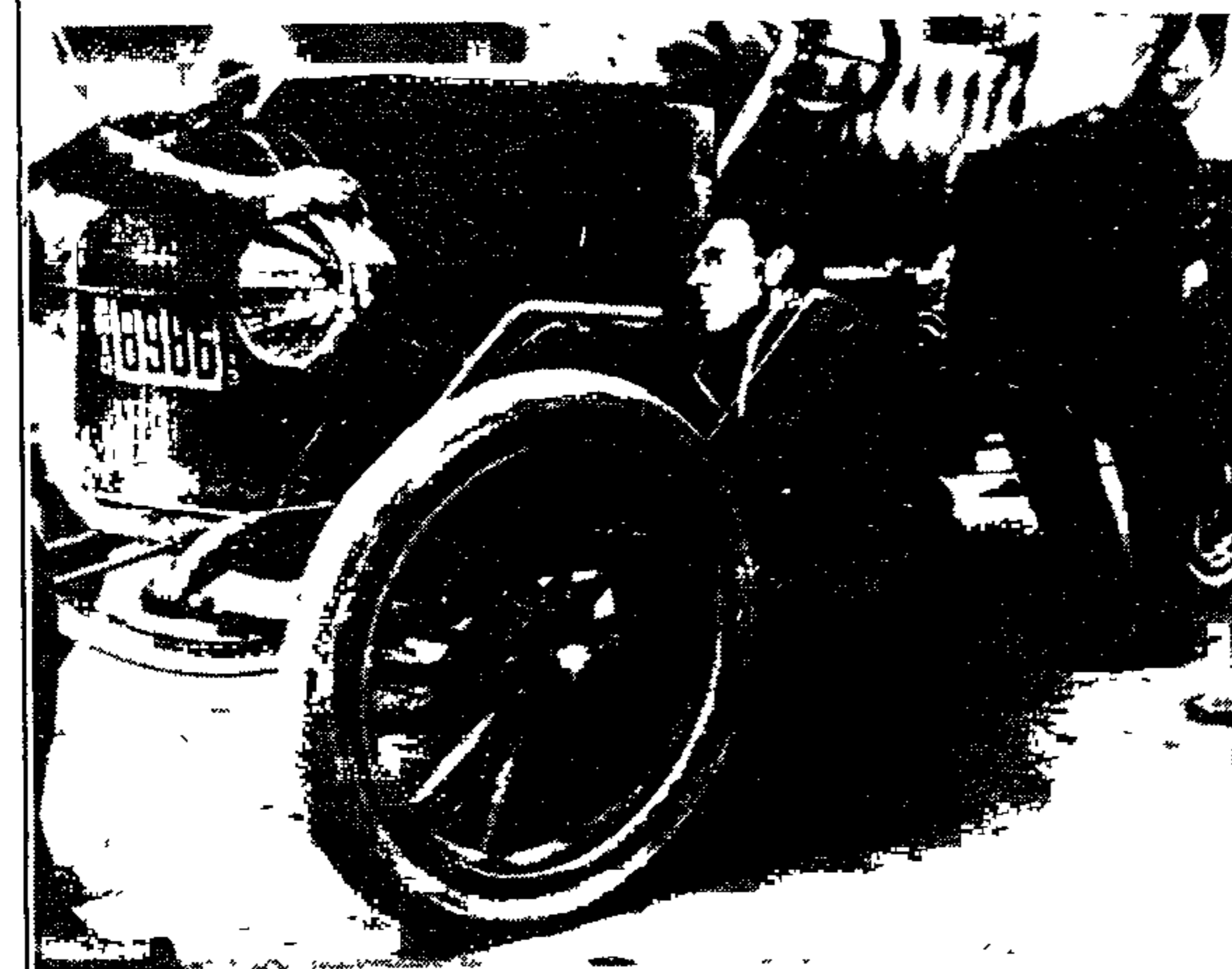
25 000 000 Chevrolets later in 1940



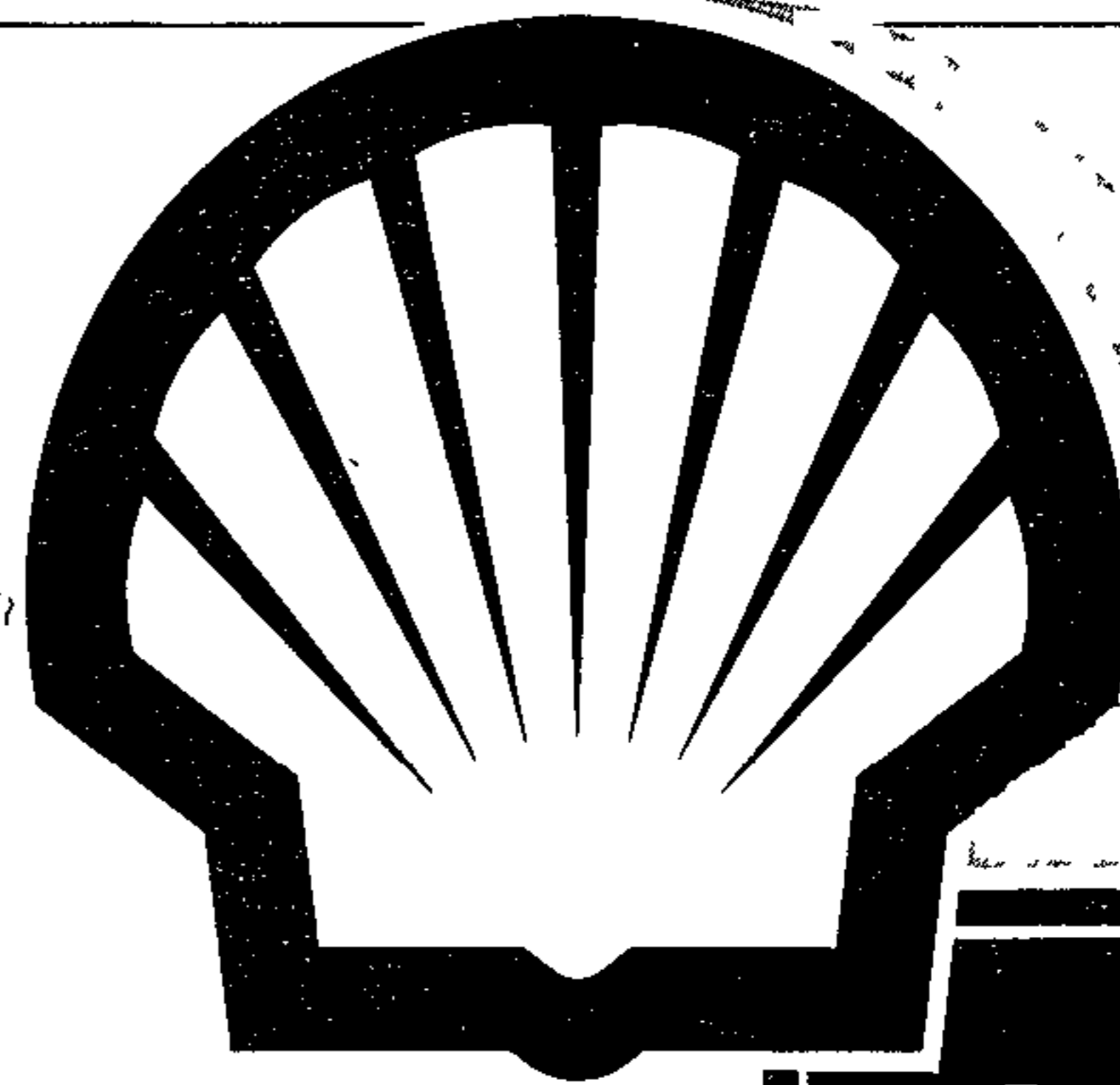
A close-up of GM's 25 000 000th production car, at the Chevrolet Assembly plant in Flint Michigan on January 11, 1940. Left to right, (now all deceased) M E Coyle, general manager of Chevrolet at the time, William S Knudsen, then president of General Motors, Alfred P Sloan, Jr, then Chairman of the board of GM, and C E Wilson, then executive vice president of GM, and later president.



Cadillac — Named after a French explorer who established a settlement in Detroit 200 years earlier, Cadillac was begun by auto pioneer, Henry Leland in Detroit in 1902. This is the 1908 Cadillac — the year General Motors was formed.



Charles F. Kettering, inventor of the self-starter and many other developments in the automobile, is shown here making adjustments during tests of the self-starter. From Mr Kettering's early DELCO Laboratories grew GM's 1958 Research work at the new GM Technical Centre.



GM

75

HIGH WAY CODE

We've been on the road a long time. And, we've seen a lot of change. From the grand old veteran dust-raisers to today's sleekly efficient, computer-designed chariots. That is why we are keenly appreciative of the pace setters who have helped to make twentieth century travel the wonder it is. And, in so doing have won the trust and support of the nation.

We congratulate one of the greats of the road on 75 years of achievement. Well done GM!



Moving smoothly into the future. **Shell**

SWIFT ADVERTISING (PTY) LTD 3631

1904... part of foundation laid

Buick Motor Division — the descendant of a fledgling firm which was destined to be described "the cornerstone of the General Motors Corporation" — had its unglamorous beginnings in 1903 when a group of businessmen associated with the Flint Wagon Works borrowed 10 000 dollars and brought the financially ailing Buick Motor Company Detroit and moved it to Flint.

The story of the Buick automobile began when David Dunbar Buick, a successful plumber, inventor and manufacturer, sold the prosperous plumbing fixture business he and William Sherwood had co-owned, and turned his attention to experimenting with the internal combustion engine. Although Buick attempted to secure capital by beginning the manufacture of a two cylinder head-valve engine he had developed, his firm only existed a few months. His sputtering financial predicament at this time can be blamed on the fact that he was a man more interested in development than production.

And yet the deal which was struck between the Flint Wagon Works headed by James H. Whiting, the Briscoe Brothers — Frank and Benjamin Jr. — who had taken over management of the crippled Buick Co., after pumping it with capital, did by no means lead to the immediate manufacture of automobiles.

Whiting, a leading carriage and wagon builder in Flint, was in no hurry to build automobiles and instead made it clear that the company intended only to build and market stationary engines.

However, in the following year, Whiting gave in to much pressure from his lieutenants and authorised the development of a prototype car. It was in early July that the first Flint Buick car performed a test run which generated modest excitement in the local Press and sparked the production of Buick cars. But Whiting was far from happy with the company's future.

He, in fact, had a lot to worry about. Buick Motor was deep in debt to several Flint Banks. The company couldn't meet its orders for farm engines and the Association of Licenced Automobile Manufacturers — a creation of the Selden Patent — threatened to stop production of the Buick automobile as they had with the Hardy Flint Roadster.

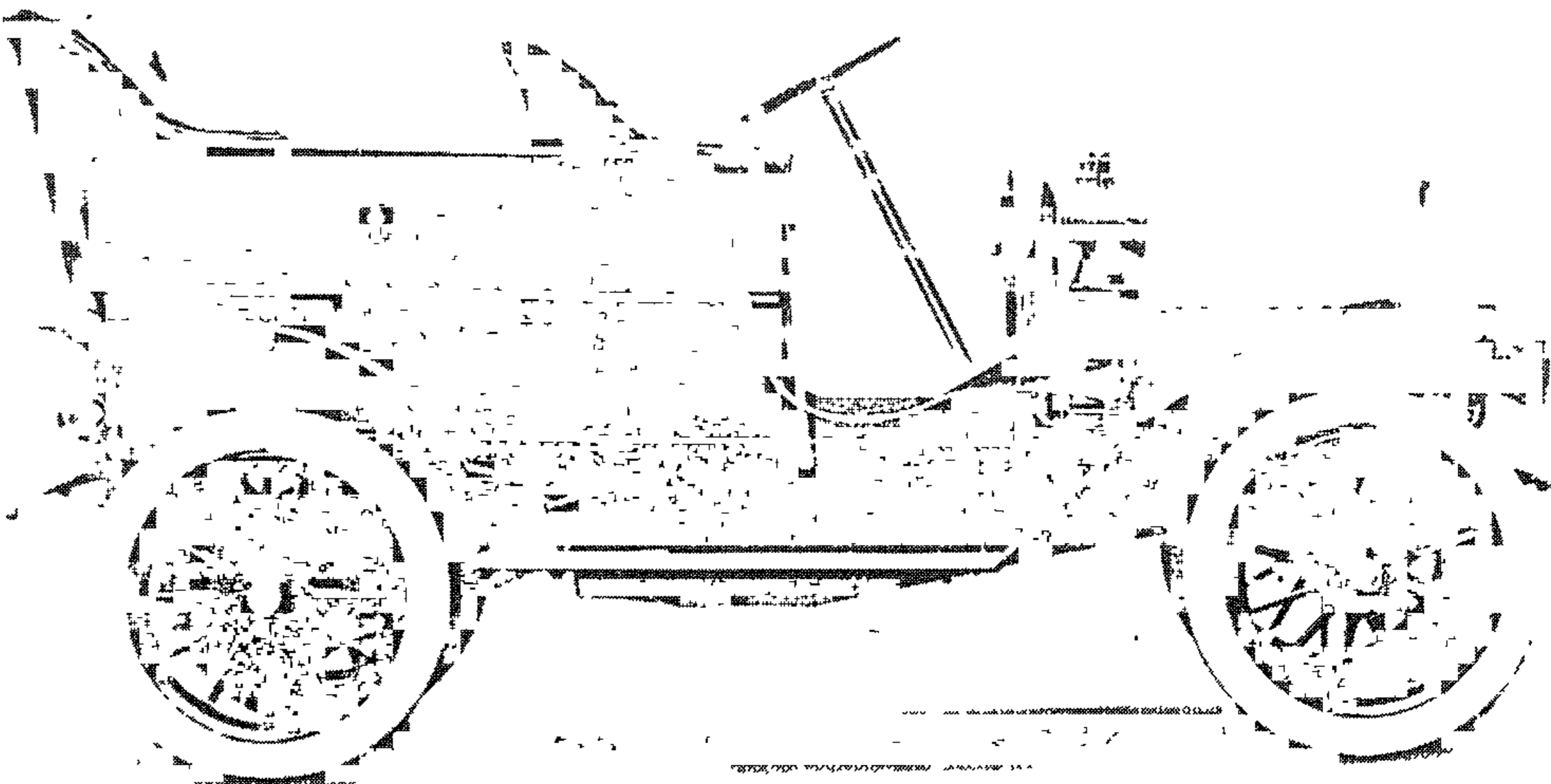
It was on November 1, 1904, when William Crapo Durant — a distinguished Flint businessman who, with his partner J. Dallas Dort had established a flourishing carriage building enterprise — completed an agreement with the Buick Motor Co. and took over the reins of power of the troubled business. Capital stock was immediately increased from 75 000 dollars to 300 000 dollars. In less than a year that capital stock would climb to 1,700 000 dollars.

Just two months later the Model C from the Buick Co. was put on display at the New York Automobile Show. The production of this car had followed a period of intense activity attempting to achieve the goal Durant had set when he said to a friend, "I am going to be one of the big motor car manufacturers of this country."

At the show itself, Durant — ever the super salesman — secured 1108 orders for the Model C — more than his plant was capable of producing in a year.

A precedent had been set and, working at full capacity, the Buick factory manufactured 750 Model C's during 1905.

This figure was almost doubled in 1906 and, in 1907, 4461 cars came out of the Buick factory. The year saw production soar to 8 487 — and with it Buick established itself as the biggest vehicle



manufacturer in the United States.

During this time, Durant had persuaded the New York axle-manufacturing firm, Weston-Mott, to relocate their company beside the new Buick plant in Flint. This had hardly been done when the W.F. Stewart Co. followed suit and built their largest body plant near the Buick Co. Already close by were the Imperial Wheel Works, Flint Axle Works, Flint Varnish and Colour Works and J.B. Armstrong Spring Mfg Co. All became automobile parts producers and were absorbed by Buick. Durant had in fact brought all his major suppliers to his very doorstep.

The faltering company of four years earlier had come of age. And was now gearing itself for even greater expansion.

An attempt by Durant to merge the four leading vehicle manufacturers — Ford, Reo, Maxwell-Briscoe and Buick — came to nought and on September 16, 1908, the man who injected success into Buick Co. incorporated General Motors Company in New Jersey.

It was a day which few could have imagined would be repeatedly saluted in decades to come. It was in fact General Motors' "birthday." And the beginning of a Legend.

Armstrong

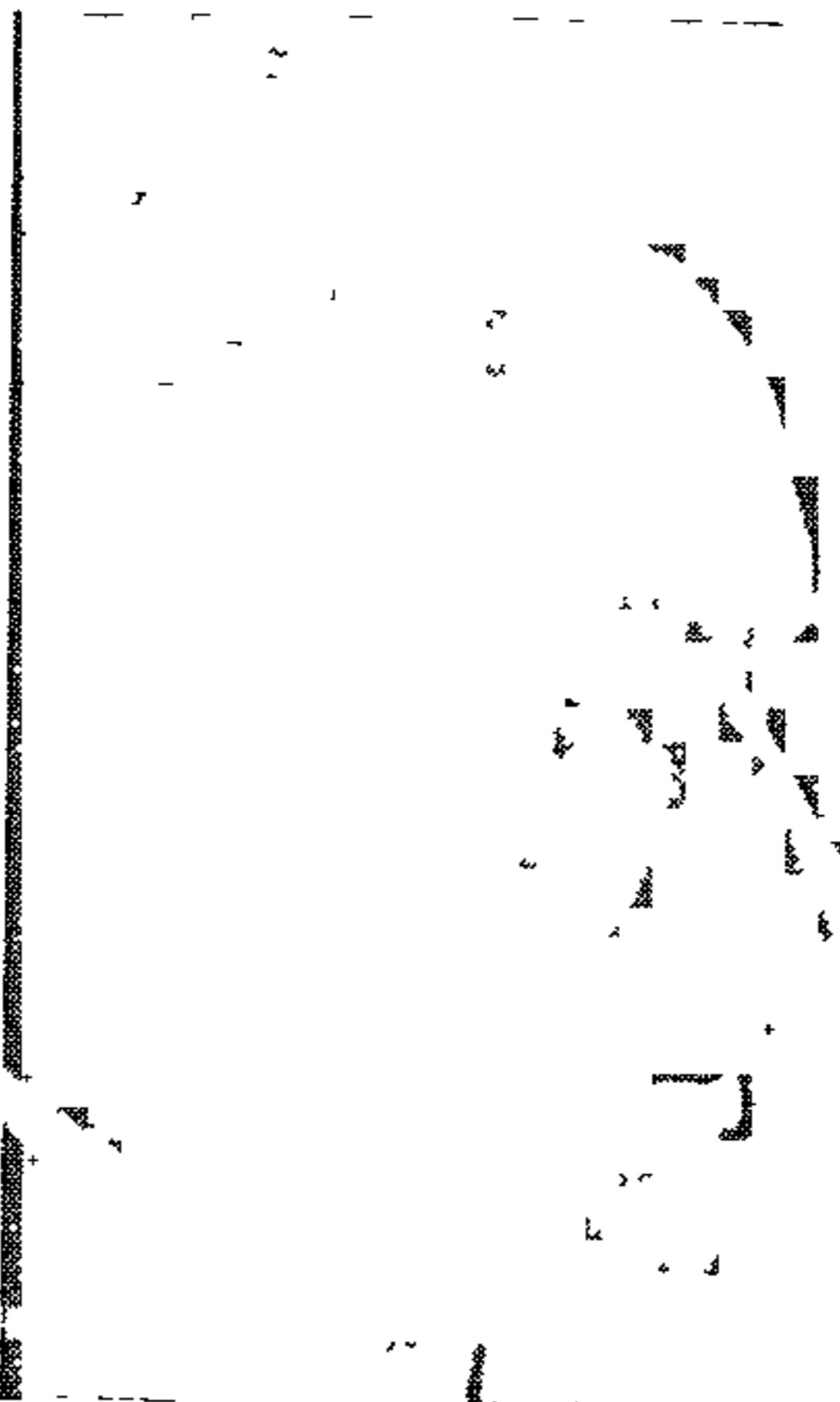
Congratulations to General Motors on 75 years of operation. During this period their products have gained an enviable reputation which augurs well for their future success.

For over twenty years now Armstrong S.A. has enjoyed a close working relationship with General Motors S.A. Initially this involved the supply of telescopic shock absorbers, but from 1977 this has also included the supply of Macpherson Struts.

Currently Armstrong supply complete Strut Assemblies for the Record, Commodore, Senator and Ascona rangers as well as strut cartridges for the Kadett range. General Motors also source a significant share of their telescopic shock absorber requirements from Armstrong.

Through continued research and development Armstrong are in a position to meet the ever changing and demanding needs of General Motors and the motor industry in general.

The wheeler dealer



William Durant

William Crapo (Billy) Durant was a born wheeler dealer — a man of boundless energy who built General Motors, lost it, won it again and then finally lost it again. He wound up running a bowling alley in Flint.

Born in 1861 in Boston his family moved to Flint when he was 11 years old. His father became an alcoholic drifter and Billy was brought up by his mother, the daughter of the Governor

of the State of Michigan.

After leaving high school he had a variety of jobs, first as a clerk in his grandfathers lumberyard, then in a drug store and also as a travelling salesman.

In 1886, he and J. Dallas Dort founded the Durant Dort Carriage Company which by 1904 had become the largest manufacturer of horse-drawn carriages in the U.S.A.

Durant soon recognised the threat of the horseless carriage and a drive in David Dunbar Buick's automobile launched him into the automotive business and eventually the formation of General Motors in 1908.

Durant's magnetic aura of promise beckoned many and founded an empire. Within a few months of founding General Motors, Durant — using the profits Buick was generating — bought Oldsmobile in Lansing, Cadillac in Detroit, Oakland (later Pontiac), and many component manufacturers. Thus, in a remarkably short time, Durant had brought into the swelling GM fold, all the automobile manufacturers — except Chevrolet which he had not yet founded — which comprise the General Motors of today.

It was this horizontal expansion which Durant devoted his energy to and by so doing gave GM the ability to compete on a variety of fronts in a very young but fast growing automobile industry.

It is significant that a man who was not an inventor, mechanic or engineer should found the largest manufacturing firm in the world.

Future concepts nearing reality

Research and development of future vehicle concepts has always and continues to play an extremely important role in the General Motors Corporation.

Innovative technology led to the company making major strides towards designing the ultimate in efficient transport during recent times. The latter is reflected in the 'Aero 2002', the 'Lean Machine' and the 'Questor'.

The Aero 2002, a four-passenger future concept proposal has a drag coefficient of 0.14 and would require only 2.1 horsepower to overcome wind resistance at 80 km/h.

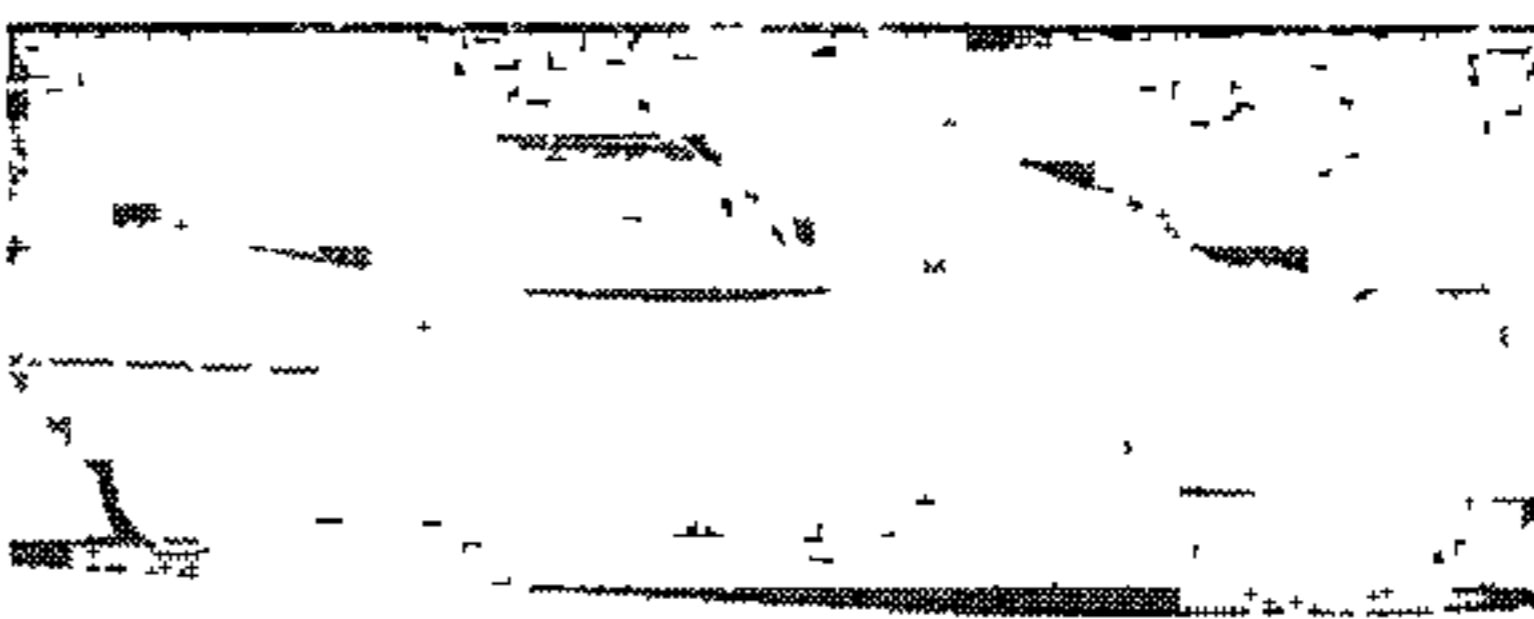
The Lean Machine, named for its slender looks and tilting capabilities, is similar to a motorcycle only in size and weight. It accelerated from a standstill to just below 100 km/h in 7 seconds.



The Lean Machine

Using 14 micro-computers, the Questor is a test bed for innovative ideas in electronics that will come to life in the cars of tomorrow.

Among the Questor's many electronic features are a map and navigation system, theft deterrent system, voice-actuated radio-telephone, and TV rear-view mirror system.

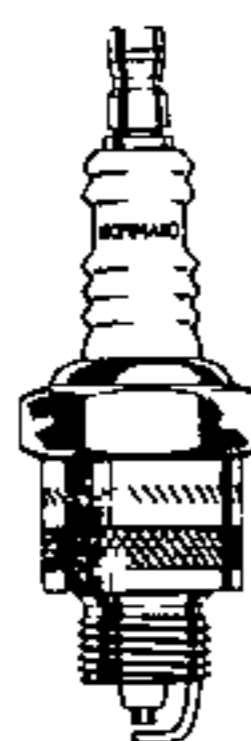


The Aero 2002

While none of these vehicles will show up in dealer showrooms, some of the advanced technology they embody will be part of tomorrow's vehicles from General Motors.

CHAMPION SPARK PLUG CO OF SOUTH AFRICA (PTY) LTD

are proud to be suppliers to General Motors Corporation and congratulate them on their 75th Anniversary.



(JWT) 54075

Rennies — fast and efficient

"Thomas Cook Rennies Travel congratulate the General Motors Corporation on their 75th anniversary and General Motor South African on their 57th anniversary in South Africa"

Mr Bernard Whale, Regional Manager of Thomas Cook Rennies Travel, says that GMSA drawing on worldwide technological resources, continually send employees around the world to avail themselves of the latest engineering advances. The latter to ensure that the highest possible standard of vehicle engineering is maintained in South Africa

An integral part of worldwide sourcing is travel and with GM facilities in some 40 countries, a fast efficient service is necessary.

Thomas Cook Rennies Travel pride themselves on providing this efficient service, be it for GM dealers or individuals

"Many people have worked hard in providing a good service and with the GM and Thomas Cook Rennies Travel association going back some 30 years, thousands of trips, within South Africa and abroad have been arranged. With the experience gained, we continually try to improve our service" Mr Whale says

Gabriel Supplies GM for 20 years

Since Gabriel commenced production in South Africa in 1963, it has supplied original equipment to General Motors.

Now the largest shockabsorber manufacturer in the country, Gabriel has maintained close ties with General Motors, an association which strengthened even further when Gabriel began supplying a full range of branded shockabsorbers to the Ac-Delco division of GM.

Today Gabriel is by far the leading supplier in replacement market, having more than doubled its share over the past 20 years.

Among the reasons for Gabriel's success in the replacement market are its insistence on designing products to suit local

conditions, steadily increased guarantee periods coupled with realistic prices and the application of international technology made available through Gabriel's overseas sister companies

Manufactured in a modern factory where prototypes are assembled, tested, retested, and then tested yet again by qualified engineers under both laboratory and actual operating conditions, Gabriel shockabsorbers have gained the reputation for uncompromising quality, advanced design and reliable performance.

Smiths heats and ventilates General Motors

Smiths Association with General Motors has extended over several decades, in particular as suppliers of heaters and ventilating systems for Vauxhall cars and Bedford trucks in England.

Production of heaters was commenced in South Africa in 1967, but the first major contract for heaters for GM in this country was on the Kadett introduction in 1980. Subsequently when the Ascona was introduced in 1982, Smiths were favoured with the contract for the excellent Opel designed heating and ventilating system incorporated in this popular car range

To support our heater business, the local production of blower and fan motors for heating and ventilating systems was started in 1969, to the designs developed by Smiths Industries Limited in the United Kingdom. Since that time, production of wiper motors, engine cooling fan motors, rear screen wiper motors and horns has progressively been undertaken

The plastics division was set up in 1977 and now supplies a wide range of technical plastic injection mouldings to the industry

Heater and blower casings, radiator grills, air cleaner housings, decorated motifs, cooling fans and shrouds, tail lights, wheel trims and reflectors are manufactured for General Motors

Smiths disc and spiral type horns are used on the majority of GM vehicles

In addition to the pro-

ducts supplied to GM for original equipment, a range of air conditioning units is available for Kadett, Ascona and Rekord, for fitment in the aftermarket. Other kits for installation of electric window winders, cruise controls, burglar alarms etc. are also available.

The engineering facility at our Pinetown Headquarters is responsible for the design, development and proving of our local range of products. Routine testing of products is undertaken by the quality control section. The General Motors quality award for excellence has been received each year since 1975

Today's motor vehicles are becoming increasingly sophisticated and our operation locally is backed up by the technical resources of our international parent company, which was a pioneer in the British car component industry and has major involvement in the aero space industry in Europe and U.S.A

In support of this, we hold technical licences from other major companies in Europe and Japan, who are involved in the design and development of motor vehicle equipment

Smiths is privileged to be a major supplier to GMSA and looks forward to increasing involvement in their range of 'world cars'

GM - Titan a proud association

Titan Industrial Corporation is one of South Africa's foremost producers of steel based products. In addition, the group is very active in the international market, trading as both exporter and importer

Made up of many companies several of which have been in existence for over 30 years, Titan is today, the Republic's leading supplier of bright steel shafting and a major producer of chain and strata control products. Their service is supported by a nationwide network of branches and stockists

The company is wholly-owned by Metkor Investments which is quoted on the Johannesburg Stock Exchange.

The Titan Operations are dynamic, fast growing and the group's great strengths are its technical expertise, modern machinery, constant liaison with international companies and a stringent quality assurance programme en-

abling the group to meet many standard and non-standard specifications world-wide. Growing local and international demand has also served to prove that Titan's marketing policy is extremely competitive.

An indication of Titan's technical expertise is the fact that some modifications carried out on machinery by the company have now been

introduced as standard features by equipment manufactures abroad.

The team behind this success is highly innovative and musters a wealth of experience gained from practical management and engineering backgrounds in steel based industries

Its flexibility in meeting special requests and adherence to high standards have reinforced Ti-

tan's position as a leading South African manufacturer

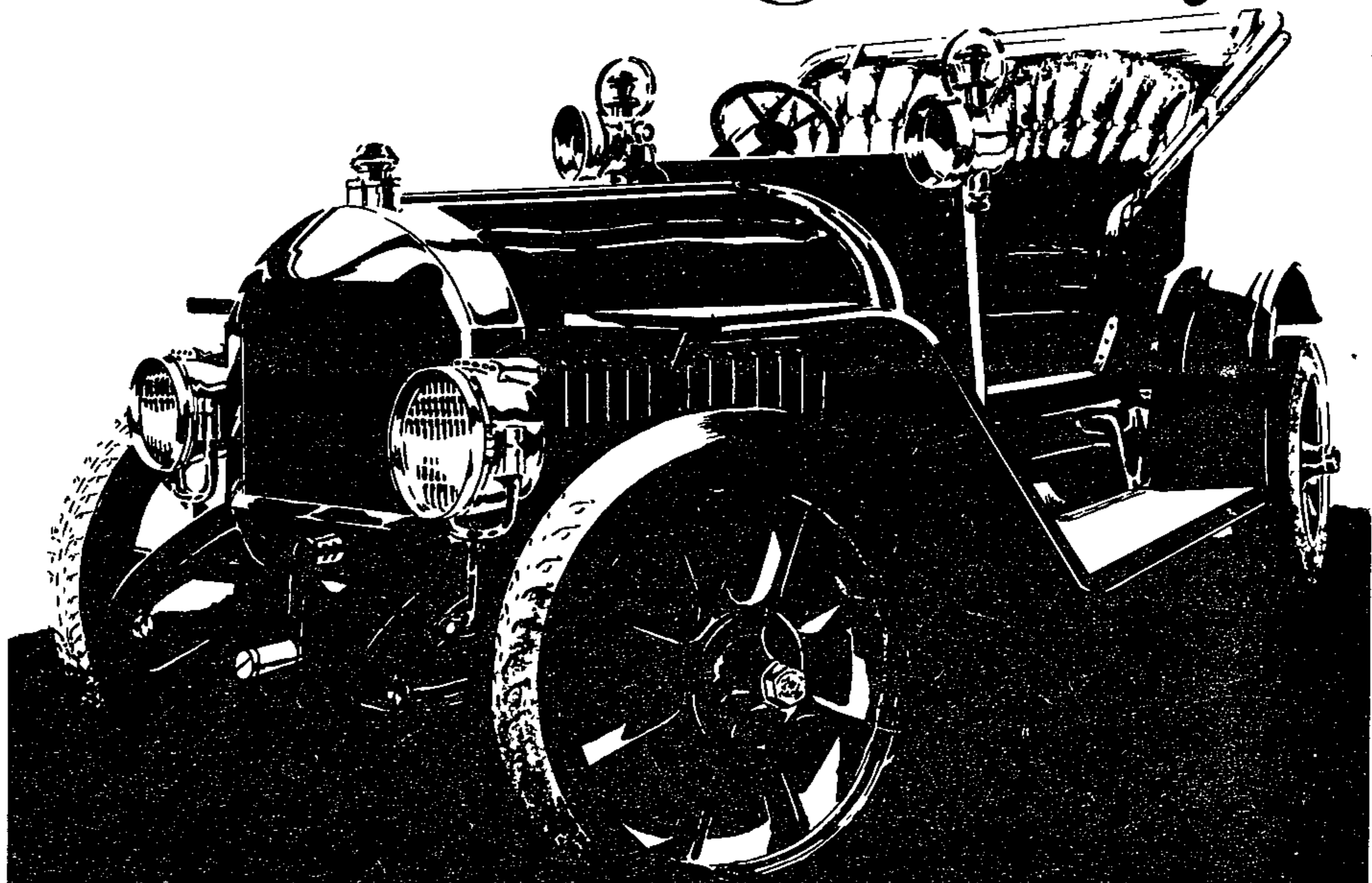
Titan's active association with General Motors is relatively recent and dates back to June 1978 when Titan believed they had lifted the standard of South African peeled bar to a level acceptable for automotive springs and similar critical applications. After some consider-

able simulated fatigue tests by General Motors, in SA and in Germany, the standard was accepted and has since been adopted by other leading automotive manufacturers

Titan are justifiably proud to be associated with, and a major supplier to, General Motors at this very important milestone in their history

General Motors 1908 — 1983

Still making history



Congratulations you've travelled a long road!

We at Beier Plastics offer our heartiest congratulations to all at General Motors on the celebration of your Diamond Jubilee. Here's to another 75 vintage years — and to the continuation of our excellent relationship; long may it continue to flourish!



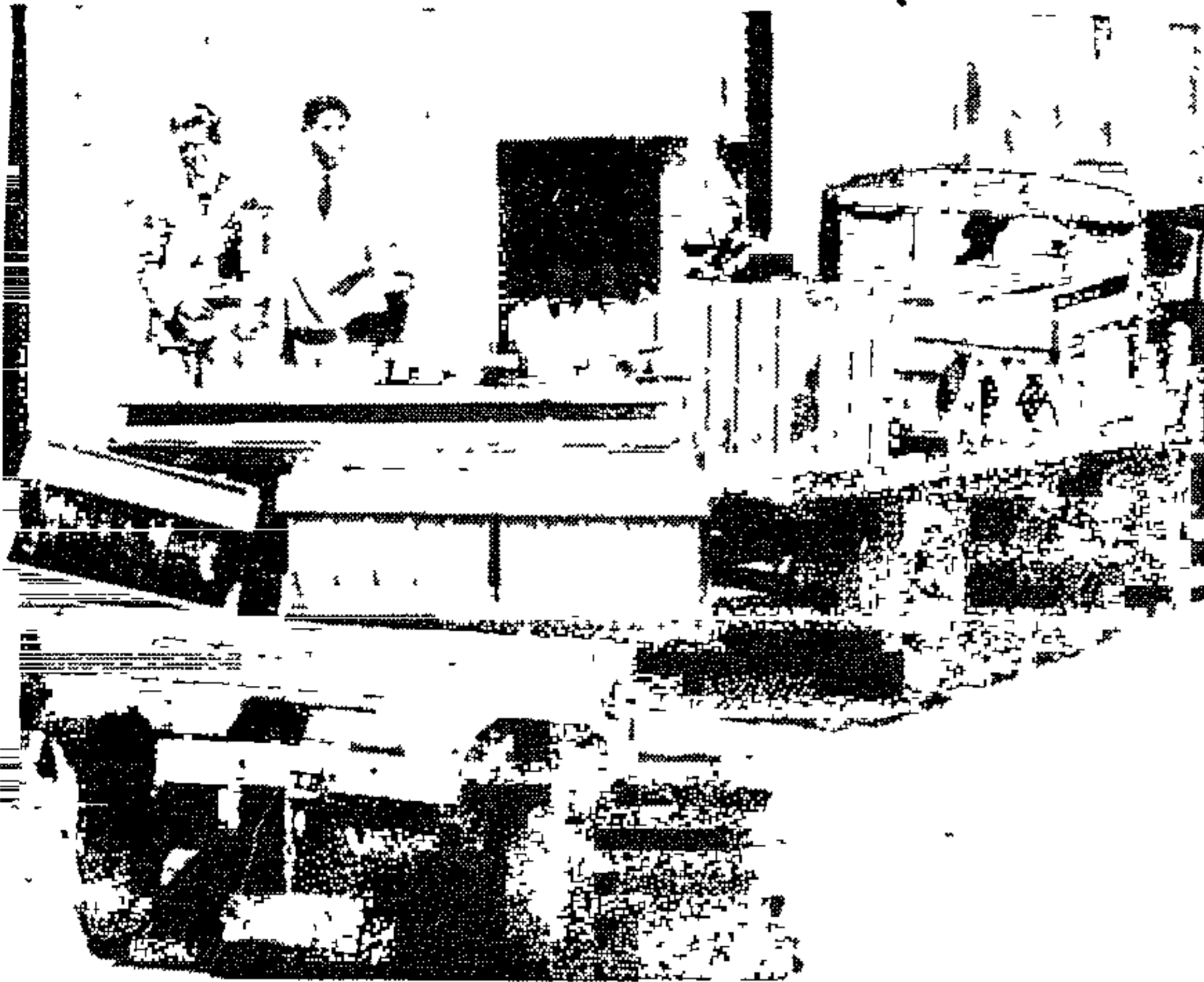
BEIER PLASTICS

Suppliers of PVC trim material to General Motors

General Motors in South Africa...

The South African operation of General Motors can be traced back to 1911 when the GM Export Company was formed to explore the worldwide vehicle market.

Well before the establishment of General Motors South African in 1926 Oldsmobile and Buicks were sold. In fact, the latter were being sold even before the formation of General Motors. Oldsmobile and Buick were the forerunners of what would later become the General Motors Corporation.



The almost forgotten days components being delivered to General Motors and photographers still drew a lot of attention

During May, 1915, William U. Meriheina left New York to visit South Africa as representative of the Export Company. He had an eventful trip — being passenger on the ill-fated Lusitania which was torpedoed by a submarine — and eventually arrived in Cape Town to set up office

Within two years he had established firm and good relationships with 'GM dealers'. During December, 1917, he attended what was probably the first 'dealer meeting' in South Africa.

Then arrived Nathaniel Currier Tuxbury — or Tux as he was generally known — who was instrumental in the formation of General Motors South African.

Representing the Export Company, he arrived in South Africa during 1918. He was to be dubbed as the 'Father of the Motor Industry' in the country and also became the longest serving managing director of General Motors South African.

His first stay in the country ended in October 1919, but he returned in 1926 and was GM MD until 1947.

General Motors South African (Pty) Ltd was formally registered on the 20th of February, 1926 with a capital of 10 000 pounds. Production began in an old wool store in Darling Street, Port Elizabeth.

Initial production was around eleven cars a day — all Chevrolets, and in October, 1926 the 1 000th Chevrolet had been assembled. The demand for the

vehicles encouraged GMSA management and a new factory was built in Kempston Road. The factory was completed in 1929 — the same year of the Wall Street crash. Despite the depression Oldsmobile, Pontiac, Buick and Chevrolet vehicles continued to be assembled at a brisk pace.

Total production in 1929 reached 11 457 units, in 1930 the figure dropped to 5 678 units and a year later the figure was 2 100 units.

A production record was set in 1938 when 2795 vehicles left the plant in only 23 working days.

The Second World War saw GM going into full war production (even Ford pick-ups were built at the factory) and an assortment of items were produced, including buoyancy drums, petrol tank caps, ammunition boxes, torpedo carriers and camp chairs.

On October 19, 1946, the first Chevrolet passenger cars, since September 1942, came off the assembly line together with Buicks, Oldsmobiles, Pontiacs.

Postwar vehicle demand resulted in a new 34 000 sq meter plant completed in 1948 and the old assembly plant was converted into a manufacturing hall. Delco battery, Fridgairre refrigerators, leaf spring, muffler and Frigidairre stove production was started during the following four years.

The Opel Rekord appeared in 1955 — the vehicle proved so popular that with minor changes production of it was destined to run for 16 years. Also launched in 1955 was the Opel Kapitän and Vauxhall Velox followed by the Vauxhall Victor in 1957 and the Cresta in 1958.

The Fridgairre operation was discontinued in 1963 — 100 000 refrigerators had been manufactured. The same year saw the introduction of the Opel Kadett, assembled through until 1974 and only reappeared in 1980.

During March 1965 GM's R21 million engine plant went into production followed by a R6 million investment to improving facilities at the Kempston Road factory.

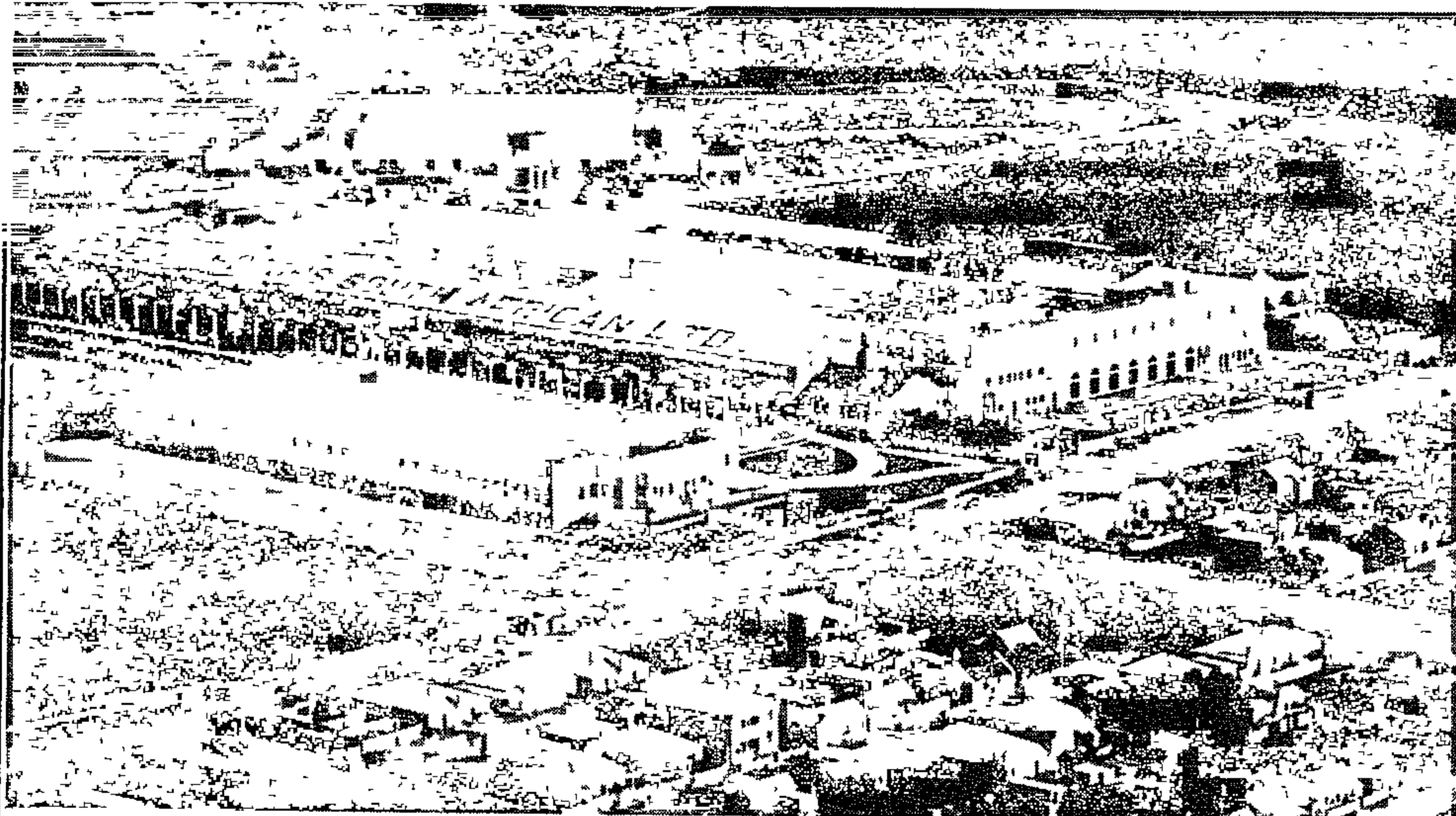
South Africa's 'own car', the Ranger was launched in 1968, the same year Port Elizabeth was hit by one of the worst floods ever. The Ranger was followed by the Holden based on the Kommando/Constantia/De Ville series and in 1972 one of the most successful lines ever produced by GMSA appeared — the Chevrolet 2500, 3800 and 4100. The latter topped sales charts in 1974 and 1975.

November 15, 1974 saw the official opening of the Locomotive Assembly Plant and already more than 600 units have been built.

The Opel Kadett was re-introduced in 1980 and two years later GMSA's entire passenger car range took on the Opel name.

Earlier this year South Africa saw the arrival of yet another newcomer — the Suzuki St 90 and SJ 410.

Today General Motors in South Africa has one of the most comprehensive passenger and commercial vehicle ranges available in the country.



The GMSA plant with Kempston Road little more than a dirt track. Although not exactly certain when the photograph was taken, it was in the late 1930's.

Equal opportunity policies and programmes

General Motors South African has been a leader in developing and implementing programmes to improve conditions in South Africa, and has aggressively pursued the objectives of equal employment opportunity for all its employees in the country.

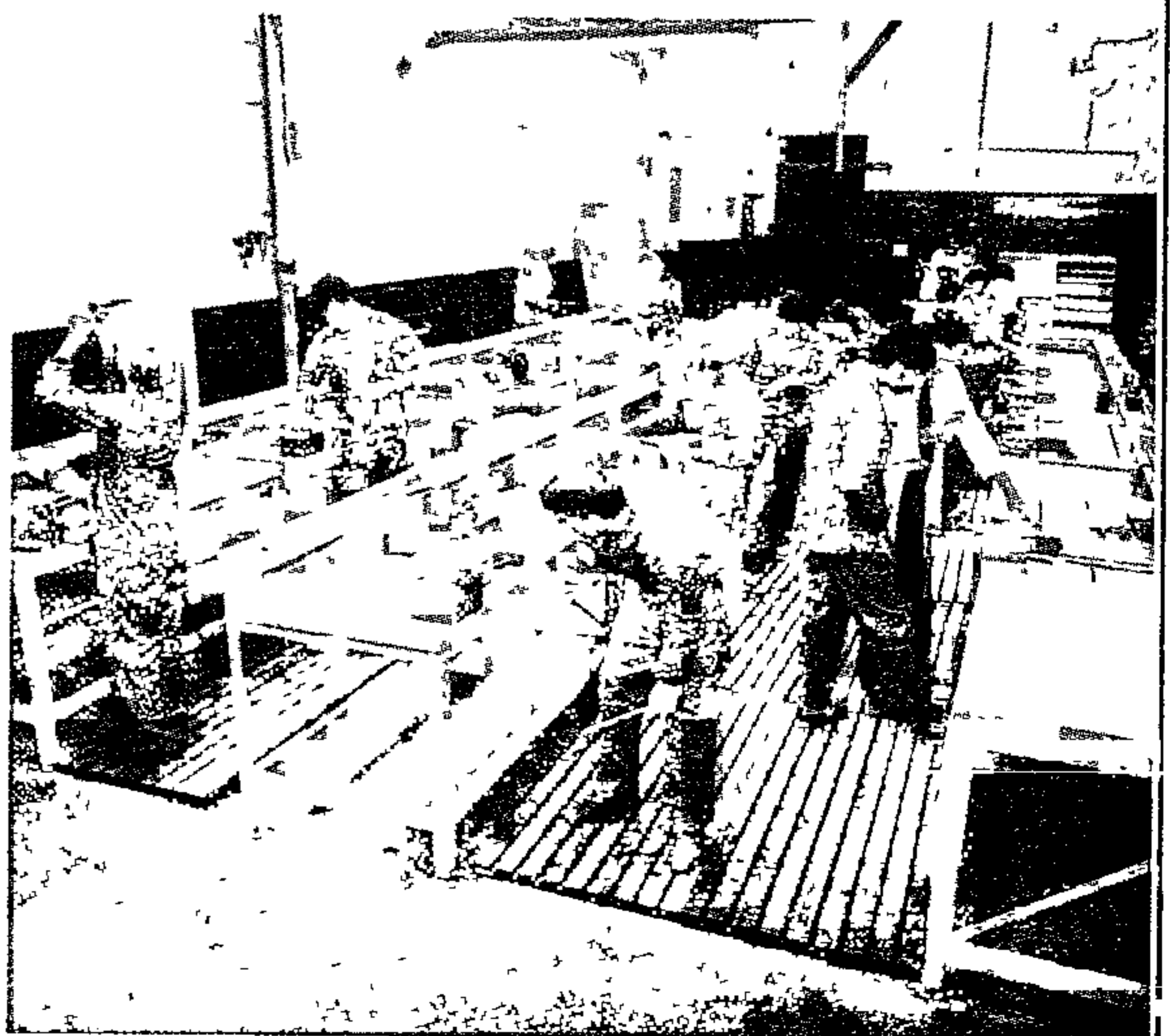
In keeping with this firm belief in equal employment opportunity, GM has introduced progressive employment practices designed to eliminate discrimination.

The company follows a programme of equal opportunity for all employees, regardless of race — from initial hiring, through training and advancement, to wage increases and retirement.

A primary obstacle to promoting blacks and coloured employees is the prevailing low levels of education. To improve these educational levels, a GM programme encourages children of employees to remain in school as long as possible. The programme pays for prescribed books and school fees for all children of black employees attending primary and secondary schools. Since 1972 nearly 8 500 sets of books have been issued at a cost of about R 145 000.

One of the more far reaching community educational programmes is GMSA's Adopt-a-School project. Currently, 21 black schools have been adopted near GM's headquarters. The programme provides assistance in many forms to local schools in the community, including managerial, financial, and vocational guidance. The adopted schools offer an array of curricula, including a facility for the physically handicapped, and currently assist more than 10 500 students annually.

To improve employee skills, GMSA conducts a number of in-plant programmes to train new employees and to prepare them for advancement. A number of coloured and black employees who have completed a Pre-Supervisory Training Programme have already been assigned supervisory responsibilities. In addition, both coloured and black employees have attended technical and non-technical classes paid for



to page 10

5
and still
growing

Congratulations on your achievement.

Bosal — leading suppliers of exhaust systems, jacks, precision steel tubing and tubular products. We are proud to be associated with General Motors in South Africa.

Bosal
YOU'RE SUPPORTED ALL THE WAY.
DIMENSIONS 8583

...the future and commitment to stay



Mr L.H. Wilking,
managing director

The next 25 years will be one of the most intensive and innovative periods in the history of the automobile. We will see developments in materials, manufacturing techniques, motive power and in design.

As in the past 75 years General Motors will be at the forefront of these developments, pioneering many of them, leading the automobile industry.

General Motors South Africa is in the fortunate position in being able to draw on the expertise and talents of the worlds three major automobile manufacturing nations — the United States, Germany and Japan.

This means that we can offer the best in superior quality design and development. We see our position in South Africa improving over the next twenty five years to where we once again assume a dominant role in the market place.

General Motors South African will maximise the depth of talent that exists in this country through pursuing the policies of equal opportunity and we will continually strive to improve the lot those who work for us.

We accept that the next 25 years will be challenging for South Africa but General Motors is determined to play its part in meeting the challenge.

L.H. WILKING



Mr H.G. Carpenter,
director of marketing

During the next 25 years General Motors South African who have been marketing motor vehicles in South Africa for 75 years will experience a major, exciting and interesting revolution.

As we move into this period size, shape, and inside dimension of vehicles will change for ourselves and our competitors. Competition will increase but the rewards for successful marketing will be great in view of the intense competition.

It is extremely reassuring that General Motors South African can draw on the resources of General Motors Corporation — the largest and most successful vehicle manufacturer in the world. This translates into more efficient motor vehicle for the South African buying public in both the passenger and commercial fields.

We look forward with enthusiasm, confidence, and high expectations for our continued success in South Africa.

H.G. CARPENTER



Mr O.R. Maas,
chief engineer

During the next 25 years the rate of growth of technology and innovation in the Road Transport Industry will increase at an even more rapid rate than in the previous decade. Controlled power, passenger comfort, minimum maintenance and a high degree of safety will be prime objectives in the years ahead.

Advanced automotive engineering will, to a greater degree, embrace all fields of engineering, including mechanical, electrical, electronics, chemical and aerodynamics.

Radical change in engine design and propellants, reduction in the size of the power package, lower noise and pollutant emission levels will be startling!

GM's stable organization of research and sound engineering practices will be the launching pad for road transport in the years to come.

Utilization of the latest technology, computerization and International design techniques will ensure that GM products will remain and come to the forefront on the South African market.

O.R. MAAS



Mr A.R. Tregenza,
director of personnel

In the short term the Industrial Relations scene in the motor industry in South Africa will remain dynamic and sensitive. Employer policies and practices will continue to be closely scrutinized by trade unions and employee representatives. It is against this background that employers should maintain regular and open communications with employees at the workplace to

improve and foster a productive and co-operative atmosphere. The success of the business requires that both management and the employees work together in addressing various matters affecting their relationship.

A.R. TREGENZA



Mr I.D.J. Van Der Linde,
director of purchasing and logistics

The exciting changes predicted by Executives of the GM Corporation in the USA for the end of this century is a promise of futuristic Products and increasing Automation. This development is rapidly being pushed forward by increasing Worldwide Competition as well as Technology advancement.

To cater for this progress it is already apparent that changes must be made in all areas of Material Management systems which very soon will embrace global or worldwide supply and communication links to ensure an international competitive advantage. It is predicted that all Material Systems will be

geared not only to ensure procurement of materials and components in quality, but will also require rapid transport with the elimination of expensive packaging. The usual monthly delivery order for components is even now fast changing to weekly and daily orders and it is very possible that this will further develop to orders specifying delivery on specific hours to Auto factories. Every system will be geared to eliminate waste — or generating savings in time, packaging materials, excess inventories held of materials components as well as finished products.

The changes foreseen in electronics such as instrumentation and other functional components in the Automobile as well as changes in materials such as increasing use of plastics will result in major direction changes in the component factories and industry to supply these components.

The challenge will be to continue to improve knowledge of the new technologies and adapting these in the production processes and back-up systems of materials supply. We at General Motors South African are fortunate, as a subsidiary of the worlds largest Motor Vehicle Manufacturer we are linked to a source which is already implementing revolutionary concepts to stay ahead.

Our association will guarantee continuous participation in this dramatic advancement process.

I.D.J. VAN DER LINDE



Mr R.J. Ironside,
assistant managing director

The formation of the day General Motors Corporation in the US in 1908 marked the beginning of a new era in the world of transportation which is still developing to and will continue to have a profound impact on the world.

Fifty seven years ago General Motors opened its first assembly operation in South Africa and helped start transportation expansion through which much of national economic growth has been achieved.

Transportation will be a key element in South Africa's future along with the utilization of the country's human and natural resources. That combination, we believe, will make the greatest contribution to building a future for all people of this country.

General Motors South African (Pty) Ltd intends to be a vital factor in that process, which calls for a will to succeed, a great deal of self-discipline and leadership of the highest calibre.

R.J. IRONSIDE

General Motors — Part of South Africa's historical fabric — woven in to stay

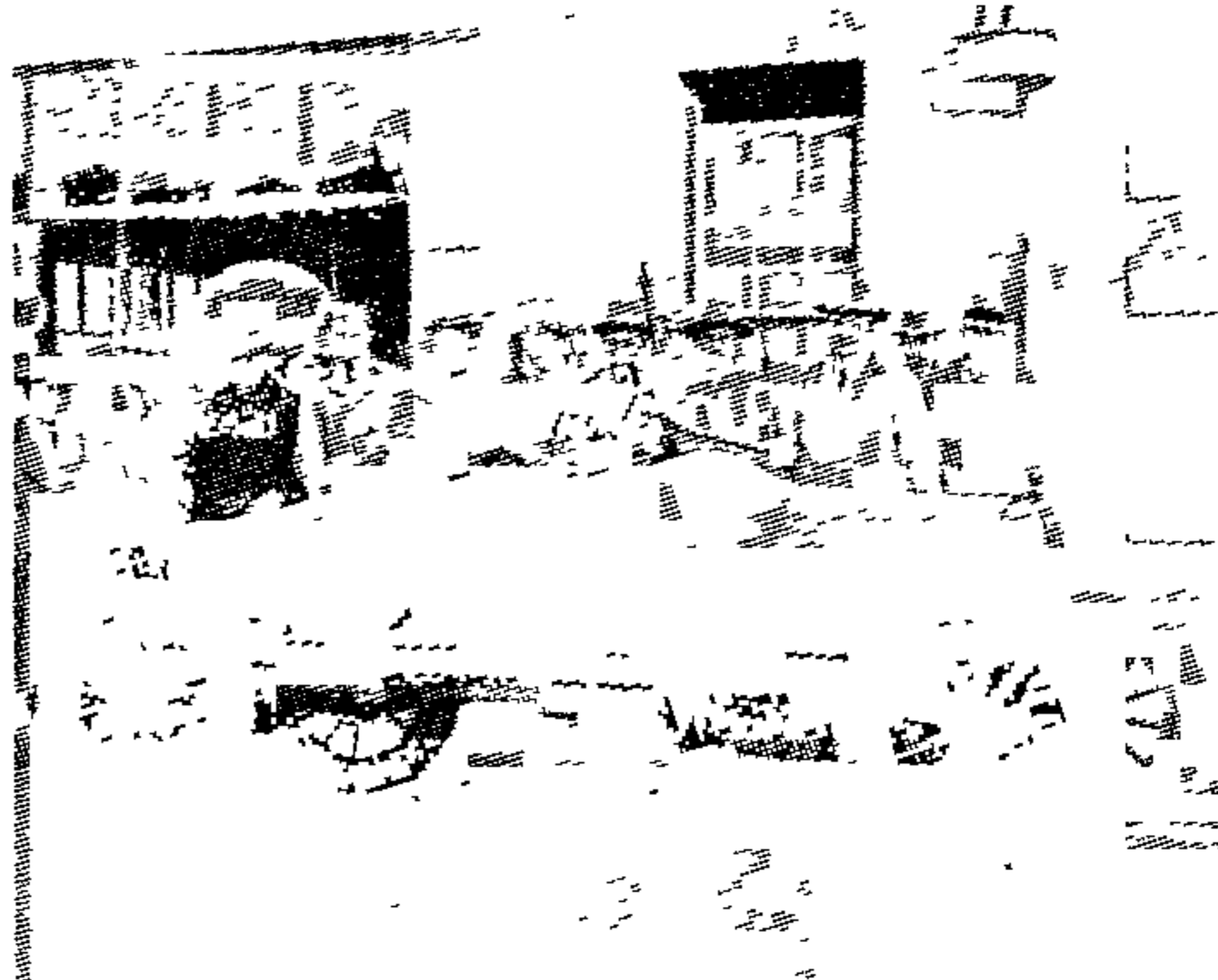
Although the history of General Motors South African begins in 1926 with the establishment of the plant in Port Elizabeth, GM products had been extensively sold in the years between 1908 to 1926. So much so that by 1926 it was estimated that one sixth of all the cars on the roads in this country were Chevrolets. And in the Buicks, Oldsmobiles, Cadillacs and Oaklands (forerunner of the Pontiac) that were sold then the figure must be close to one third.

The arrival of the automobile in South Africa, a country with vast distances between its towns and cities, changed the lifestyle of the nation. Suddenly people could move around, the distances shrank and it was no longer a major undertaking to travel say, between Johannesburg and Durban.

General Motors is proud of the role it has played in the development of South Africa and it is for that reason we believe that we are part of the South African historical fabric — woven in to stay.

We have tried to make this, our 75th Anniversary Story, fresh, entertaining and enlightening — we hope that you find it so too.

A FEW WORDS FROM THE COMPANY THAT'S BEEN SELLING GM CARS IN SOUTH AFRICA LONGER THAN GM.



One of the 490 Chevrolets that Williams Hunt began importing in 1918, some 8 years before GM established their factory in South Africa.

Williams Hunt is not just the oldest GM dealership in South Africa. We're also a new member of the VWA group, one of the large industrial listings on the J.S.E.

So today, more than ever, we can combine experience and dynamism with financial muscle.

And we look forward to our continued association with the world's no. 1 vehicle manufacturer. With great vehicles like the GM Opels, Isuzus and Suzukis, SA's biggest range of cars and trucks the future is going to be as exciting as the past.

At Williams Hunt we congratulate GM on their 75th anniversary. We're proud to have been part of the success story.



WILLIAMS HUNT LIMITED

A MEMBER OF THE VWA GROUP

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Not everyone has world's No.1 vehicle

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Motors, Caledon ○ Willem du Plessis, Calvinia Motors, Calvini Weitz, Blits Motors, Carletonville ○ Klaus Gobel, Smith and Van der Merwe, Carnarvon ○ Bennie Wolfaardt, Top Chevrole Paul de Villiers, Sitrusmotorwerke en Implemente Maatskappy, Citrusdal ○ Archie Norval, Colesberg Garage, Colesberg ○ I Kitshoff, Cradock Motors, Cradock ○ Vic Bear, Bear & Mengel, Dannhauser ○ Hannes Venter, Central Motors, De Aar ○ Ca- Universal Garage, Dordrecht ○ Fred Lahoud, Lahoud's Garage, Douglas ○ Mohammed Pandor, Hiway Motors, Dundee ○ B Williams Hunt, Durban ○ Philip Rohrbart, Fleet Motors, East London ○ Mackie Dewar, Meyers Motors Limited, East Lond Marshall, Triple 'E' Motors, Edenvale ○ Mrs. Jean Foster, Fosters' Chevrolet, Elliot ○ Cliff Bailey, Delta Motors, Empangeni Smal, Isuzu Truck Centre, Epping 2 ○ Hardy Rothman, Harlen Motors, Ermelo ○ Eddie Brokensha, Brokensha's Garage, E- John Dickson, Ficksburg Garage, Ficksburg ○ Dennis de Necker, Constantia Kloof Motors, Florida ○ Norman Myburgh, Re Foreshore, Foreshore ○ Claude Whitecross, Whitecross Garage, Fort Beaufort ○ Guido de Folippo, Continental Motors, Fi- Botswana ○ Frikkie Lubbe, United Motor Services, Frankfort ○ Colin Armstrong, Notwane Motors, Gaberone/Botswana ○ Meyer, C. P. Nel & Company, George ○ Tony Clark, Currie Motors, Germiston ○ Theo Stead, Transvaal Motors, Germiston ○ Ed Crankshaw, The Gem Garage, Graaff Reinet ○ Wally Kent, Kenrich Motors, Grahamstown ○ Graham Gilson, Midlands Motors, Greytown ○ Kosie Havenga, Havenga Garage, Griquatown ○ Peter Botes, Harrington Motors, Groblersdal ○ Dave Ellis, Hankey Garage, Hankey ○ Rob Allchin, Bates Garage, Harding ○ Hannes Strydom, United Motor Services, Harrismith ○ Southey Stirk, S. & B Motors, Hartswater ○ George du Toit, Premier Motors, Heidelberg ○ Jan de Kock, Northern Free State Tractors, Heilbron ○ Carl Bothma, Currie Motors Truck and Commercial Centre, Heriotdale ○ John Gillespie, Sterling Motors, Hermanus ○ Lieb Opperman, Central Garage, Hofmeyr ○ Willie du Toit, Natio- nal Garage, Hopetown ○ Garth Mouritzen, Hume Melville Motors, Humansdorp ○ Jannie Smuts, O.F.B. 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Nel & Co., Oudtshoorn ○ Jerr Ian Wiid, Reeds Parow ○ Jan Keyser, Fairweather, Castignani & Holmes Motor Distributors, Parys ○ Hendrik Kolbe, Kolbe Kluckow, Team Motors, Pietermaritzburg ○ Dirk de Jager, Elda Motors, Pietersburg ○ Jeff Jones, Piet Retief Motors, Piet Re & Implemente, Piketberg ○ Joe Emanuel, Key Truck and Car, Pinetown ○ Neville Schuddin, Roley Clayton, Port Alfred M Kahns, Port Elizabeth ○ Willie Nel, Williams Hunt Pty Ltd, Port Elizabeth ○ Keith Laird, Daddy Brothers & Johnstone, Port Postmasburg ○ Jan Duraan, Potch Motors, Potchefstroom ○ Klasie le Roux, Gilbertson's Garage, Potgietersrus ○ Currie Mc Pretoria ○ John Hewie, Wonderboom Motors, Pretoria North ○ Willie Mans, Van Rensburg's Garage, Prieska ○ Rex Wagne Northern Chevrolet, Blairgowrie, Randburg ○ Babe Viljoen, United Motor Services, Reitz ○ Joep van Eeden, Robertson Ga Roodepoort ○ Godfrey Schubach, Valencia Motors, Rustenburg ○ Wolfgang Els, Williams Hunt, Sasolburg ○ George Fouch

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It's no easy task satisfying the demands of the South African motoring public.

It takes vehicles for every conceivable need. Like GM Opels, Isuzus and Suzukis, South Africa's widest range of quality cars and trucks.

And it takes commitment to rise above fierce competition.

The kind of commitment that General Motors has shown for the last 75 years as the world's No. 1 vehicle manufacturer.

And that's why each one of us is proud to be a GM dealer.

Rowan Hampson, Hampson Auto Centre, Scottburgh ○ Corneels Holtzhausen, Monument Motors, Smithfield ○ Monty Shapiro, Chevman Motors, Somerset West ○ Barend Human, Nothern Free State Tractors, Senekal ○ Wattie Nel, W. Nel Motors, Somerset East ○ Ben Eylers, Williams Hunt, Southdale ○ Richard Maponya, Mountain Motors, Zondi, Soweto ○ Abraham Uys, Jowell's Garage & Transport Limited, Springbok ○ Bob Watson, Fourth Avenue Motors, Springs ○ Jan Smith, Coetzee Motors, Standerton ○ Iqubal Kajee, North Coast, Stanger ○ Bobby Dakin, Matie Motors, Stellenbosch ○ Denzil Ward, Ward's, Steytlerville ○ Jurgen Gietz, Westvaal Motors, Stilfontein ○ Arthur Thompson, Stutterheim Garage, Stutterheim ○ Eric Koch, Central Garage, Swellendam ○ Ian Bruce, Scotts Chevrolet, Tarkastad ○ Hans Eloff, Istores Garage, Thabazimbi ○ Bertie de Vos, C. E. T. Motors, Twee Rivieren ○ Cliff Fairer, B. & F Motors and Tractors, Tzaneen ○ Charl de Villiers, Williams Hunt, Uitenhage ○ Paul Gerber, Capitol Motors, Umtata, Transkei ○ Des Tarboton, Tarboton's Garage, Underberg ○ Koos Cilliers, Sakk Motorverkope en Diens Sentrum, Upington ○ Isaac Ramakulukusha, Isaac Ramakulukusha Services, Vondwe Location, Venda (Sibasa) ○ C. J. Okkie Steyn, Driehoek Motors, Ventersdorp, Bill Bronkhorst, Currie Motors, Vereeniging ○ Luther Vlok, National Garage, Victoria West ○ Michael Ferguson, Northern Free State Tractors, Viljoenskroon ○ John Ferrandi, Ferrandi's Garage, Villiersdorp ○ Warwick Krige, Lyon Motors, Volksrust ○ Koos Botha, United Motor Services, Vrede ○ Fanie Pieterse, Sydney Hunt Motors, Vryburg ○ Fred Gaskin, Provincial Motors, Vryheid ○ Johan Karsten, Karden Motors, Virginia ○ Henry Gregan, Maroela Chevrolet, Warmbaths ○ Willie Britz & Johan Holtzhausen, Fairweather, Castignani & Holmes Motor Distributors, Welkom ○ Chris Visser, Williams Hunt, Wellington ○ Cyril Southey, Williams Hunt, Wemmer ○ Stephanus Scheepers, Northern Free State Tractors, Wesselsbron ○ Duncan Hemphill, Duncan Motors, White River ○ Jannie Vlok, Williston Motors, Williston ○ Fanie Zaayman, Zaaymans Garage, Willowmore ○ Kosie Conradie, E. F. S. Tractors, Winburg ○ Max Kohler, Kohler's Garage, Witbank ○ Doug Grieve, Frank Vos Garage, Worcester ○ Leon Hampton, Williams Hunt, Wynberg ○ Monty Arenstein, Arenstein Motors, Wynberg ○ Johnny Marx, Haleys Garage, Zastron ○ Yusaf Bata, Bata Motors, Zeerust.

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le Roux, Apie le Roux Motors, eo Chevrolet, Kirkwood ○ Johnstone, Kokstad ○ Willem de Krugersdorp ○ Polla Burger, h ○ Lionel Goodman, Standard City Motors, Louis Trichardt Niekerk's Garage, Machinery Company, Kingsway, n der Walt, Middelburg nning, Molteno Motors, Nel, Mossel Bay ○ Chris ruit ○ Roger Mentzel, m ○ Seymour Ezer, edy, Williams Hunt, Paarl ○ , Paulpietersburg ○ Bud n Marais, Piquetberg Garage ort Alfred ○ Norman Kahn, ne ○ Kapaans Havenga, General Garage, toria ○ Morris Shapiro, Union Car Sales, n's Garage, Queenstown ○ Don Stretton, bertson ○ Matthew Taitz, Roodepoort Motors, eizer Reneke Garage, Schweizer Reneke ○





The first assembly line — a line of GMSA Chevrolet Trucks being assembled in the Darling factory in Port Elizabeth

from page 6

GMSA's tuition refund plan

Under the company's Technical Training Plan, coloured employees attend free classes conducted by personnel from the local technical college. GMSA's language instruction programme, designed to provide basic reading, writing and mathematical skills, has been operating since 1971 and has now been extended to include the training of teachers for the benefit of the local black communities.

As part of a R4 million project, GM also tripled its plant training capacity. In 1980, the first full year of operation of its new Training centre, GM succeeded in obtaining full status for black apprenticeship programmes. Since April 1980, well over 800 employees have been trained. To supplement in-plant training programmes, GM makes use of outside organisations such as the University of Port Elizabeth, Technikon, The Institute of Personnel Management, the National Development and Management Foundation, various technical colleges, and other facilities offering specialised training.

Improvements in the quality of life of coloureds and blacks is further achieved through a variety of housing programmes. Specifically, GM operates several different housing programmes for both employees and the local communities in general. For example, in 1973 the company loaned the City of Port Elizabeth R500 000, payable over 30 years, to supplement available City funds for construction of homes in a coloured residential area. The loan provided for the construction of more than 90 homes.

A home ownership programme in a black community near Port Elizabeth was assisted by a GM interest subsidy on a R1 million loan which provided 235 new homes and a 600 pupil primary school.

Direct employee assistance is provided by a home improvement loan programme. These loans are interest free for one year and since inception of the programme in 1973, over 1 700 employees have participated. In addition, a home ownership programme which provides down payment assistance to coloureds and blacks has been in existence since 1973.



A group of ladies at General Motors Kempston Road Plant shortly after it opened in 1928

General Motors continues to believe that the single most important factor in the creation of a more promising investment climate in South Africa is a resolution of the country's social problems.

General Motors remains hopeful that these problems will be resolved on a basis which is just and equitable to all segments of South Africa's population. Any investment decisions regarding the nation will, of course, necessarily include an assessment of the economic, social, and political environment, not only in South Africa, but in neighbouring countries as well.

The Corporation believes the products GM will introduce in the coming years will enhance the company's competitive position and facilitate its continued involvement as a force for further social and economic progress. Further, General Motors believes its continued operation in South Africa promotes constructive change and demonstrates GM's current confidence in South Africa's long term economic stability and future.

Dunlopillo Quality

Established in Port Elizabeth in 1960, Dunlopillo has been associated with the motor industry and General Motors for the last 23 years.

As a quality assured supplier to GM, Dunlopillo — a division of Dunlop SA Limited — continuing product development has expanded the company's range significantly since its establishment. The latter included moulded vehicle seat cushions of various types and densities, block foam, foam sheeting and seating from cut slabstock.

Apart from its involvement in the motor industry country wide, Dunlopillo in Port Elizabeth supply foam bedding and furniture for the retail market. The company also manufactures quality inner-spring mattresses at its Johannesburg factory.

Linked to its own research and development projects, recent developments in car seat manufacture — which is carried out continuously in close collaboration with General Motors' Engineering Department staff — include achieving self sufficiency in integral wire support frames for seat cushions and development of formulations for special ap-

plications or extra high-quality moulded seat requirements.

Dunlopillo has been one of the first participants in the recent introduction of 'Kan Ban' production and supply systems by General Motors. The Dunlopillo is now geared to tie in with this introduction to ensure that maximum benefits are obtained by both customer and supplier.

There is a strong commitment to technical advance and quality improvement, and regular utilisation of the latest in European foaming and moulding techniques, has ensured an ability to meet the ever more stringent requirements of the Motor Industry.

The current plant now bears only superficial resemblance to that of ten years ago, as new demands by Product Engineers, plus higher sophistication in the seating market with regard to comfort and durability, have necessitated continuing plant expansions and refinements.

GM innovations 1923 — 1925

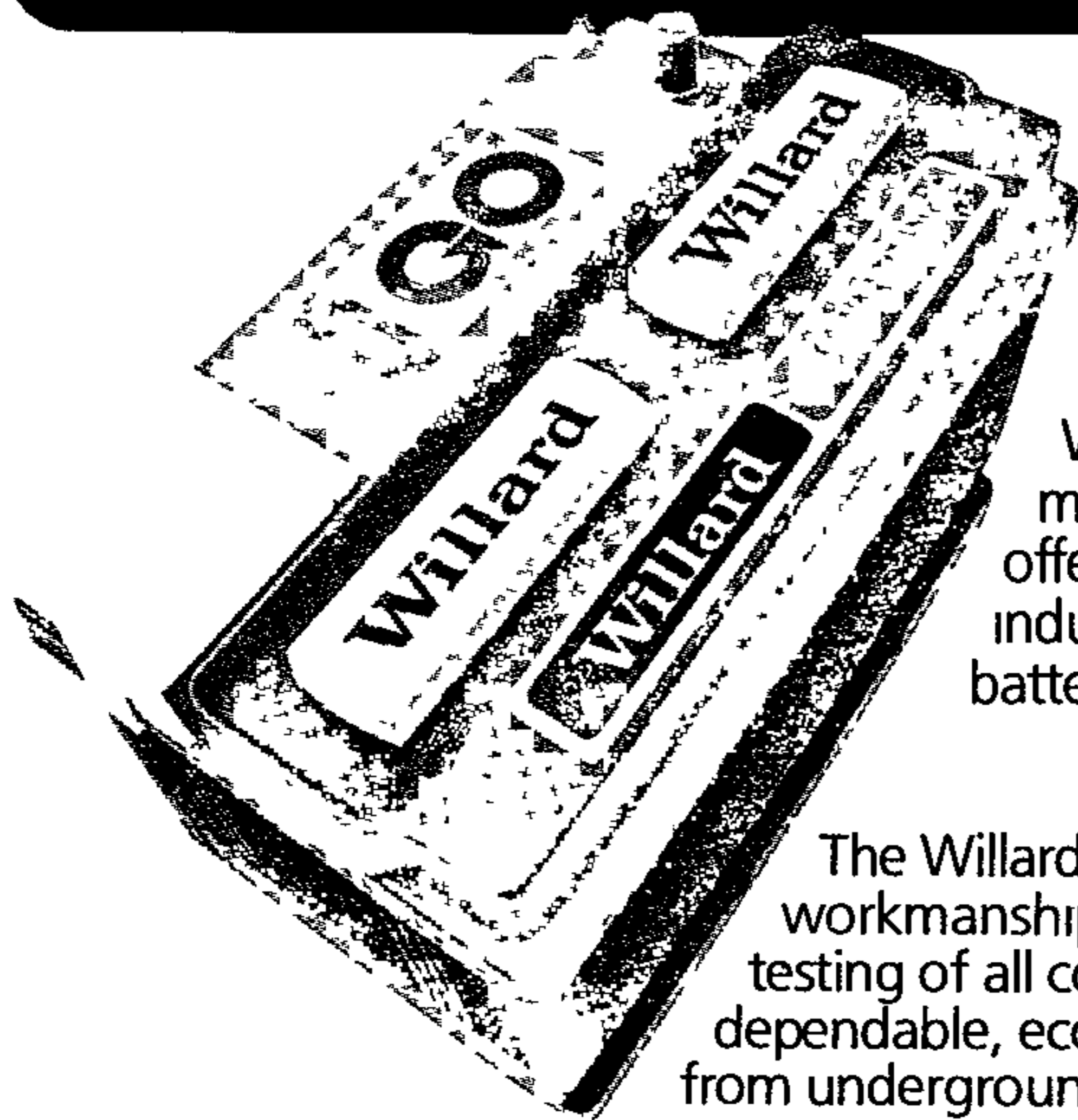
1923 — Four-wheel brakes applied on 1924 Buick
1924 — Conde Lamp unveils first two filament headlamp for filament for upper beam, one for lower (improving nighttime visibility distance)

GM opens auto industry first proving ground
First brake test decelerometer is installed at GM proving ground

1925 — First instrumentation to measure steering effort in motor vehicle developed at GM proving ground
Daleo Romo produces first electric windshield wiper so wiper speed can be maintained regardless of engine speed

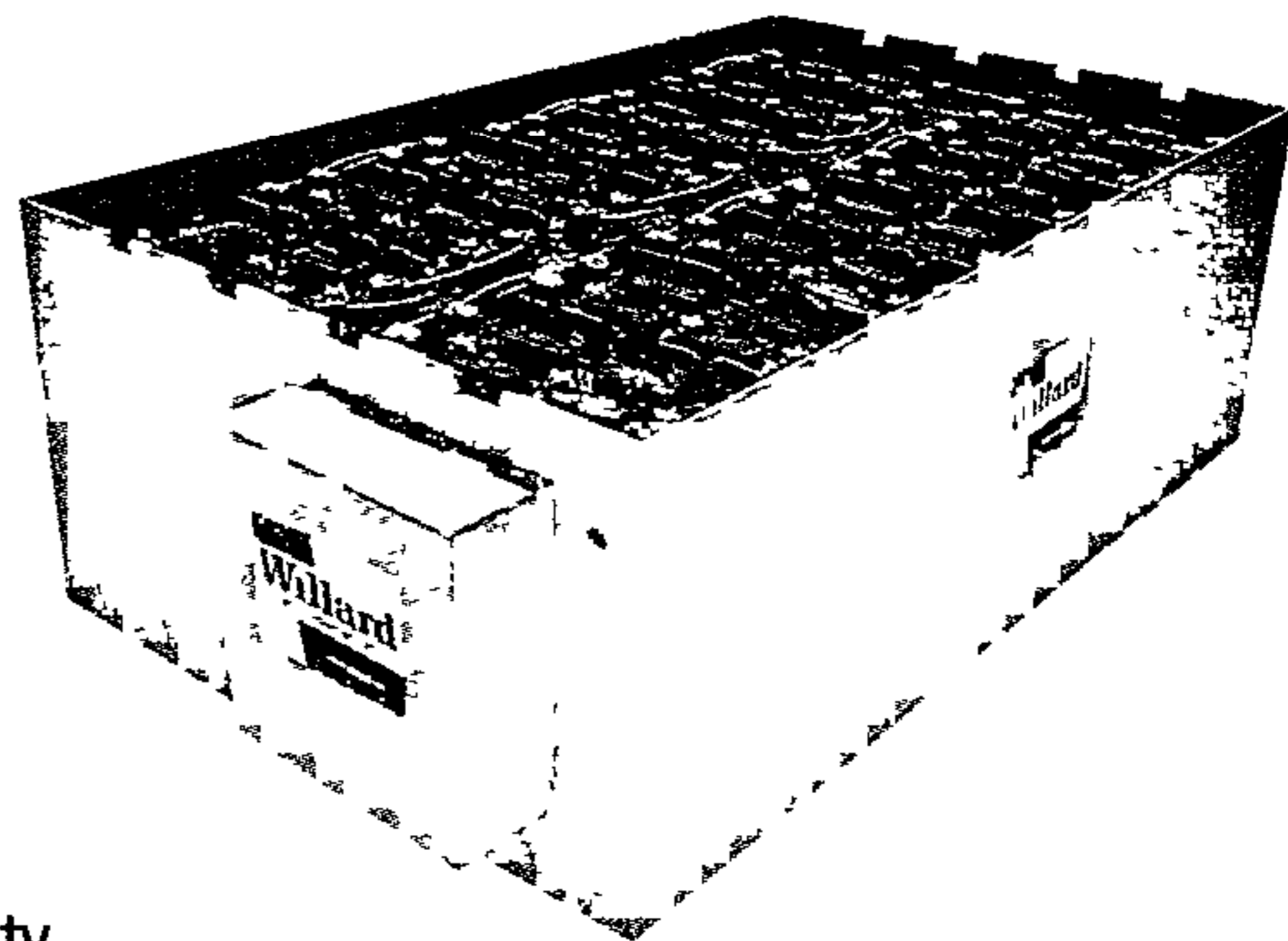


Willard Automotive and Industrial Batteries



Willard Batteries, manufactured in South Africa, offer a complete range of industrial and automotive batteries.

The Willard name has been built on quality workmanship and materials combined with extensive testing of all components. The result is a battery that will provide dependable, economical, long life power for all types of vehicles, from underground locomotives to sports cars.



South Africa's prestige battery.

Willard

Adam Opel AG, the General Motors Corporation's largest foreign subsidiary, has become the fastest growing vehicle manufacturer in Europe — good reason too as the Opel emblem represents proven advanced German engineering.
In South Africa, General Motors is geared for a major market penetration attack with its 1984 passenger range of vehicles following some impressive results achieved by Opel in Europe.

The Opel successes in Europe include a 12 per cent sales increase last year while the European market increased by less than 2 per cent

In an increasingly demanding and competitive market place Opel has been number one in the Netherlands for the past 14 consecutive years with a sales increase of 20 per cent. In Switzerland Opel moved into top-spot with a sales increase of 17 per cent, in Belgium and Austria sales increased by more than 20 per cent, in France sales increased by more than 50 per cent and in Spain sales increased by more than 400 per cent — all indications are that this trend is continuing during this year.

The Opel story starts with the birth of Adam Opel on May 9, 1837. Living at a trading post — Russelsheim — some 25 kilometres from Frankfurt, Adam was the first born of a locksmith, Wilhelm and his wife, Anna.

As a young man, Adam, tall and blonde with thoughtful eyes was drawn to Paris. At the time Paris was the city of great international expositions of inventions and engineering feats

His interest was sparked on seeing one of the great innovations of the time — the sewing machine

In a cowstall in Russelsheim, Adam started assembling sewing machines in 1862 — Opel had been founded

His company grew from manufacturing sewing machines to bicycles and finally cars. Adam, however, never lived the day to see a car bear his name as he died on September 8, in 1895

The company passed to his widow, Sophie, and subsequently to their five sons, Carl, Fritz, Wilhelm, Heinrich and Ludwig.

Based on a design by Friedrich Lutzmann, a locksmith born in Dessau, Opel's first car was produced in 1898 and early the following year the first were offered for sale — eleven were sold that year.

The first Opels had 1500 cc engines with an output of four horsepower and had a maximum speed of just below 20 kilometres per hour.

Small and light, these early Opels were chiefly conceived as two-seaters

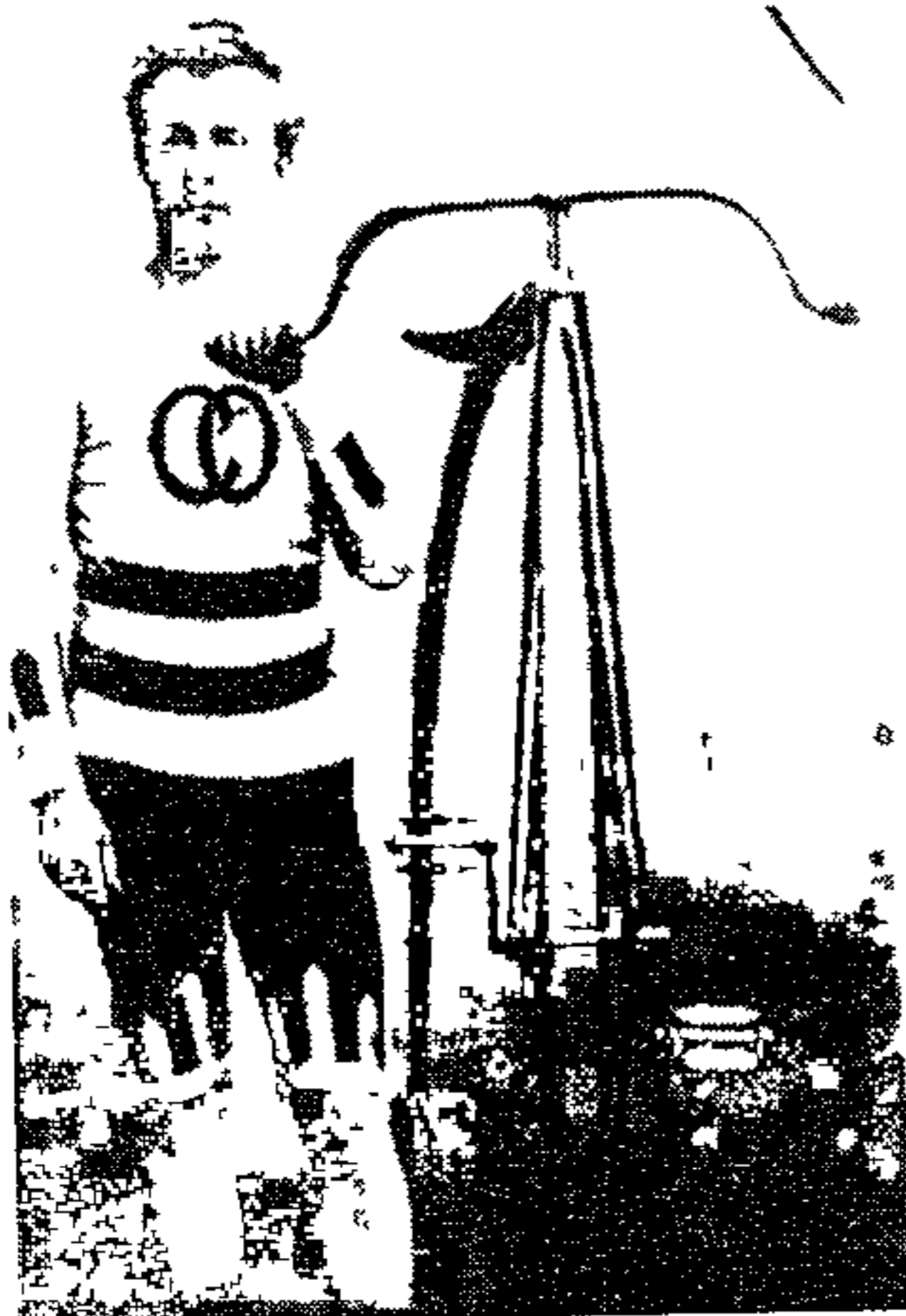
During 1903 a four-cylinder Opel was launched and the following year 252 units were manufactured.

In 1912, the fiftieth anniversary year of Opel, 3-202 vehicles were produced by 3 100 employees. The Russelsheim operation continued to grow and another powerplant was built in 1909.

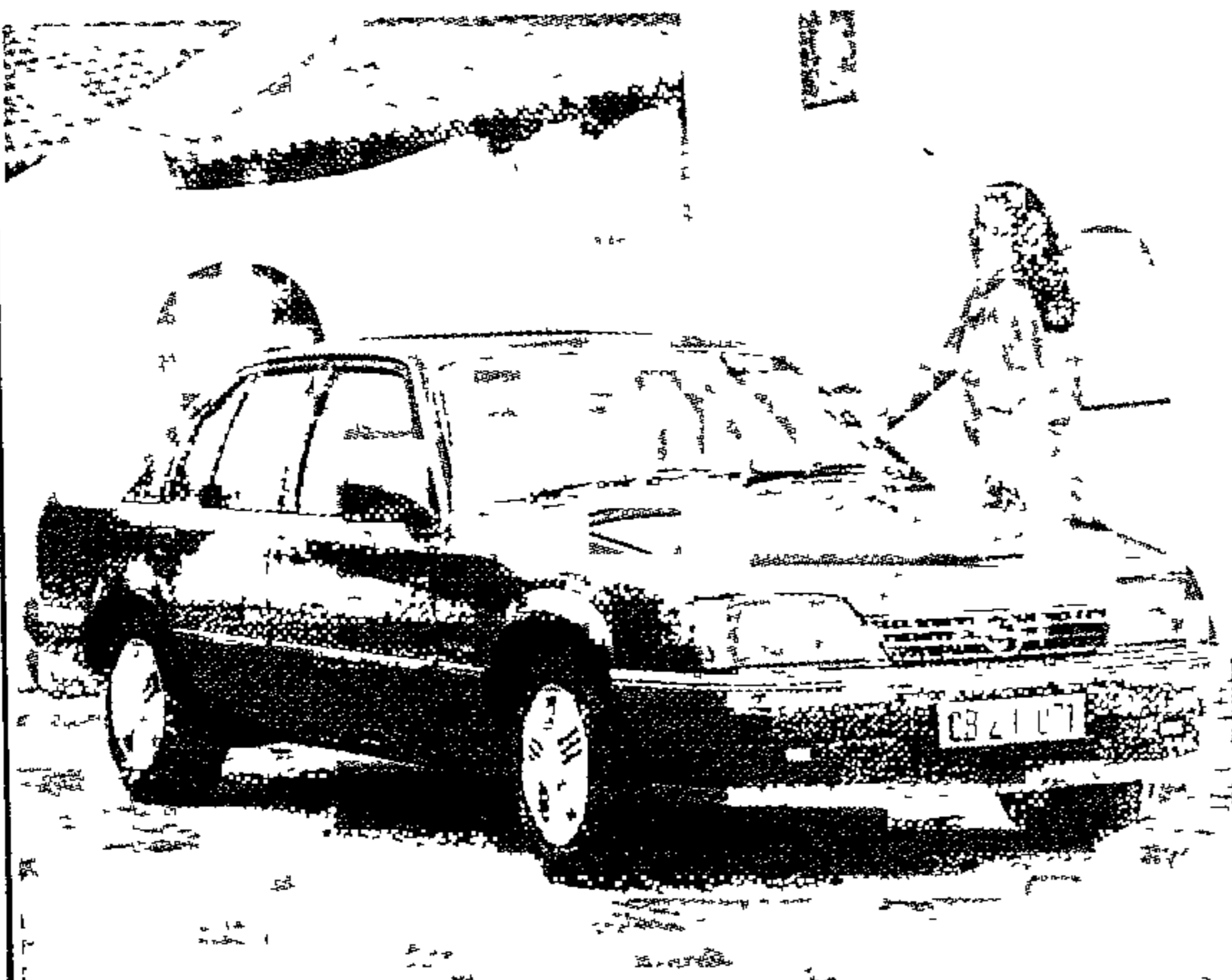
In these early days of the industry it took six weeks and longer to build a small car, which included four to five weeks to paint the body.

Despite time consuming operations, the Opel assembly plant managed to produce 3 500 units in 1914.

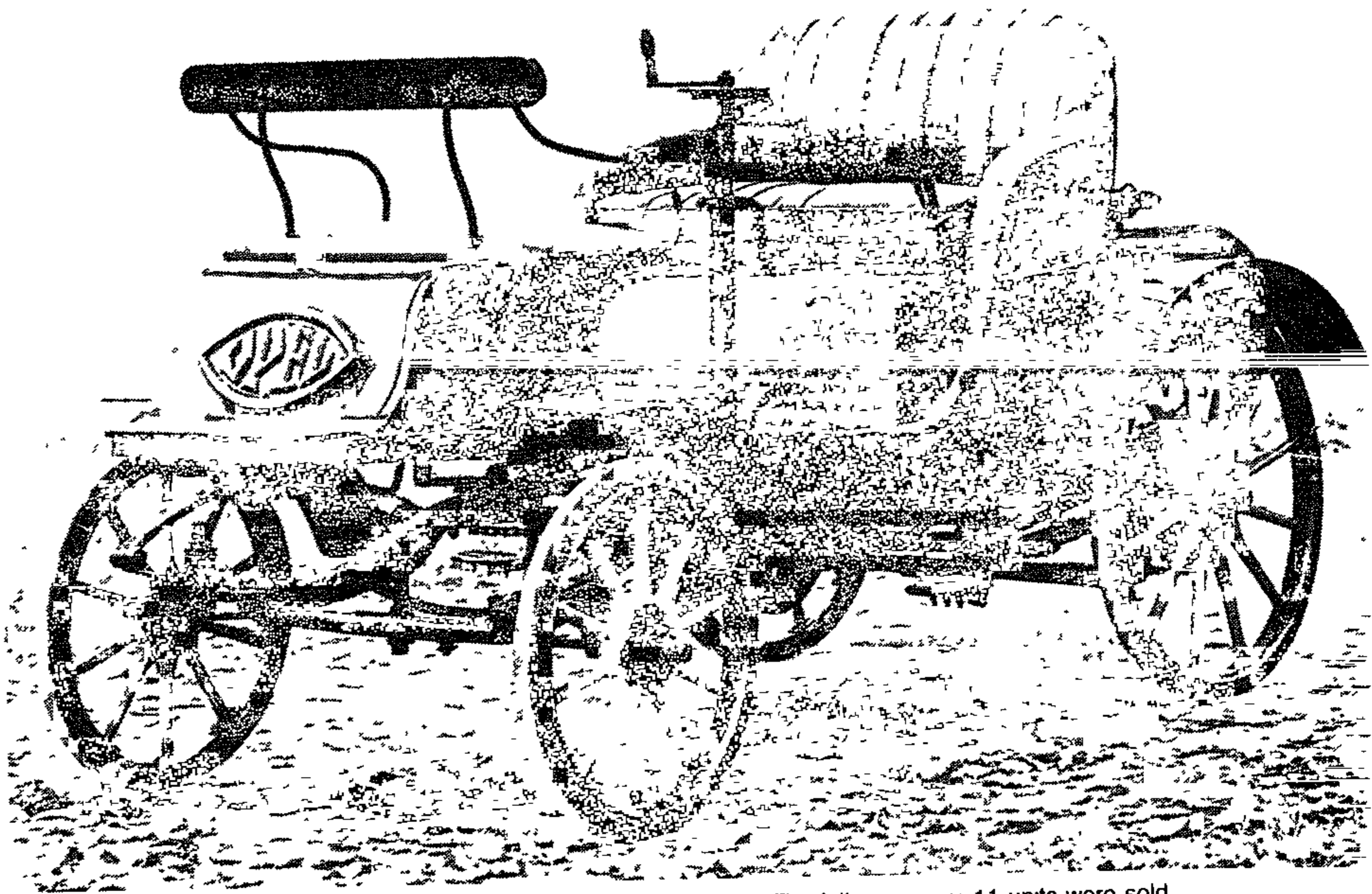
In 1919, as the dawn of a postwar day was breaking, the Opel brothers were mature and experienced automotive executives.



Carl Opel, the eldest brother of the Opel brothers, who won some 70 prizes as a racing cyclist



Quality and style the new Opel Berlina



The Opel Lutzmann went into production in 1898. The following year 11 units were sold

During the decade of the 20's, the Opel works was transformed as dramatically as a company could at the time. It became a new kind of car producer, just as surely as if the entire factory had been rebuilt again from the foundations. The company was building new cars along new assembly operations servicing and selling them through a well organised dealer network.

In 1928, Opel had a workforce of 8 000 employees, some 250 vehicles were built a day and at the end of the year production reached the 42 771 units. Opel had a market share of 26 per cent in Germany

However, it would not be fair to say that the German motor industry had become a global power as the balance of economic power had long since shifted to the other side of the Atlantic as American cars started flooding into Europe.

Top GM officials visited Europe and the Opel factory. They were impressed by what they saw. Opel's production lines were new and well chosen, the operation was sound and there was a good supply of labour

Alfred P Sloan Junior later wrote that the visit prompted him to negotiate and option on Opel, to expire at the beginning of April, 1929. The option was eventually exercised, and in 1929 GM acquired 80 per cent of the company for 26 million dollars. In 1931 GM bought the remaining shares for an additional 7.4 million

When Sloan met Opel dealers he told them of ambitious plans to boost production and sales and that he anticipated that one day Opel production could run as high as 150 000 vehicles a year — he later confessed that he felt viewed as "another impractical, visionary American."

GM appointed Irvin J Reuter as managing director of Opel. Fritz von Opel remained as president.

Reuter previously general manager of Oldsmobile was reluctant to move to Germany, but under his strong leadership Opel built up exports during the difficult 30's, especially following the introduction of the Olympia sedan. By 1937 Opel was the leading producer in Europe and had an annual production of 130 000.

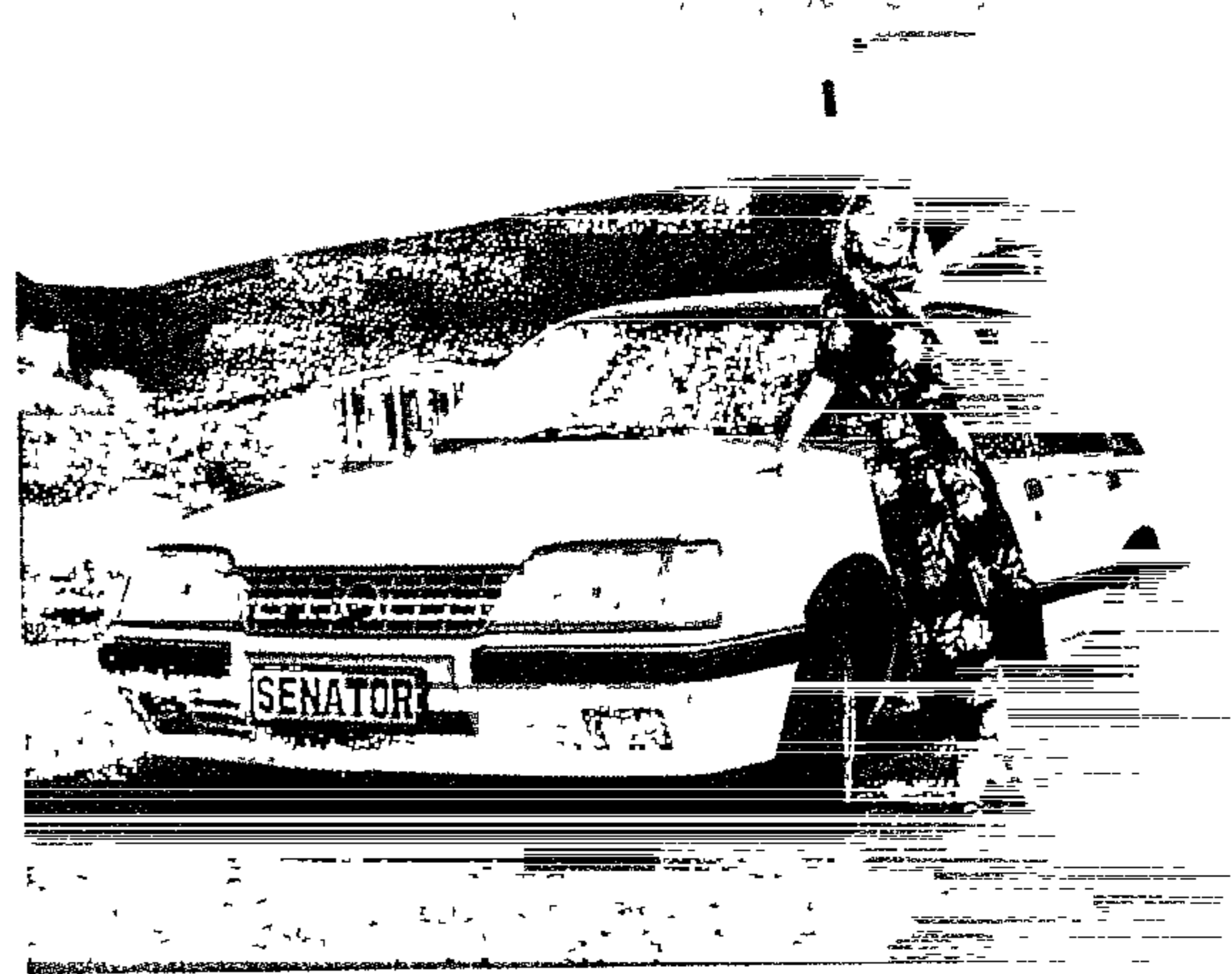
The outbreak of World War II threw doubt over GM's German operation and in 1940 production was brought to a standstill — the same year when production reached the one million milestone

Following aerial attacks during the war the Opel factory was devastated.

During the early postwar years it remained uncertain whether GM would renew its ownership of Opel. The sheer cost of rebuilding facilities, at a time when prospects for return on investment were bleak, was just one consideration

However, in November 1948 GM agreed on a two-year trial ownership. Edward K Zdunek, a former European regional manager for GM's Overseas Operation Division was appointed to run the operation

Opel boomed during the 1950's, along with other aspects of German economic and industrial life. In 1953 production climbed to more than 100 000. The operation continued to grow to the



The new Opel Senator German perfection

point where in 1961 Opel produced some 382 700 vehicles. Five years before, the two million milestone was reached, four years later the three millionth and two years later the fourth millionth milestone

In September 1962 the first Kadett rolled out of the new Bochum factory and Opel was soon producing 1 000 vehicles a day. The arrival of the Kadett — just what Europe needed — practically doubled Opel's production. In

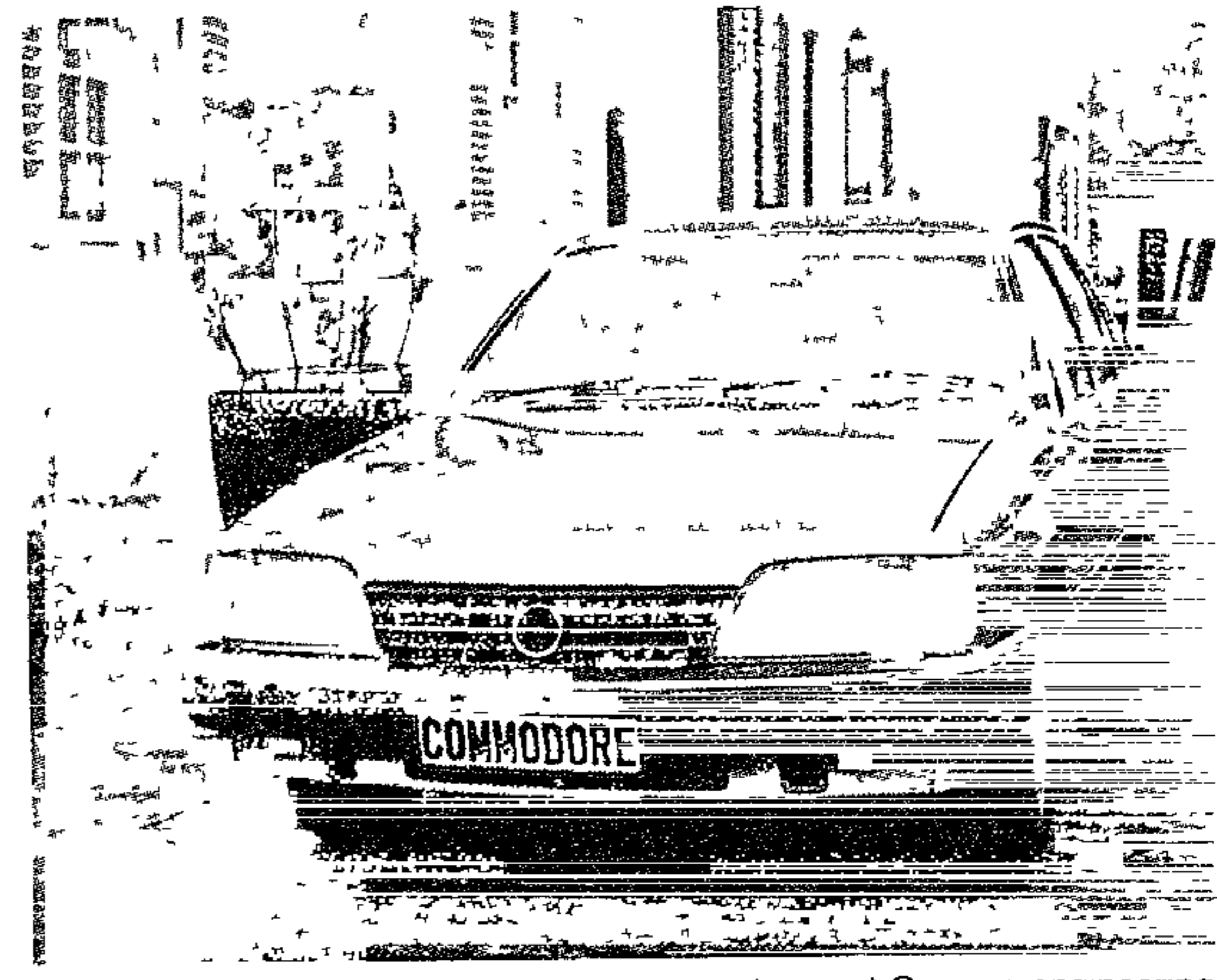
1964 nearly 689 000 cars were built. With a few hiccups the total grew through the following 10 years, and in 1973 output stood at 874 000

However, the first energy crisis struck and its effects were felt throughout the world and the 70's saw extraordinary peaks and troughs — Opel production plunged to fewer than 585 000 units in 1974 — the lowest figure in eight years. But towards the end of the decade Opel again built an unprecedented

968 000 vehicles

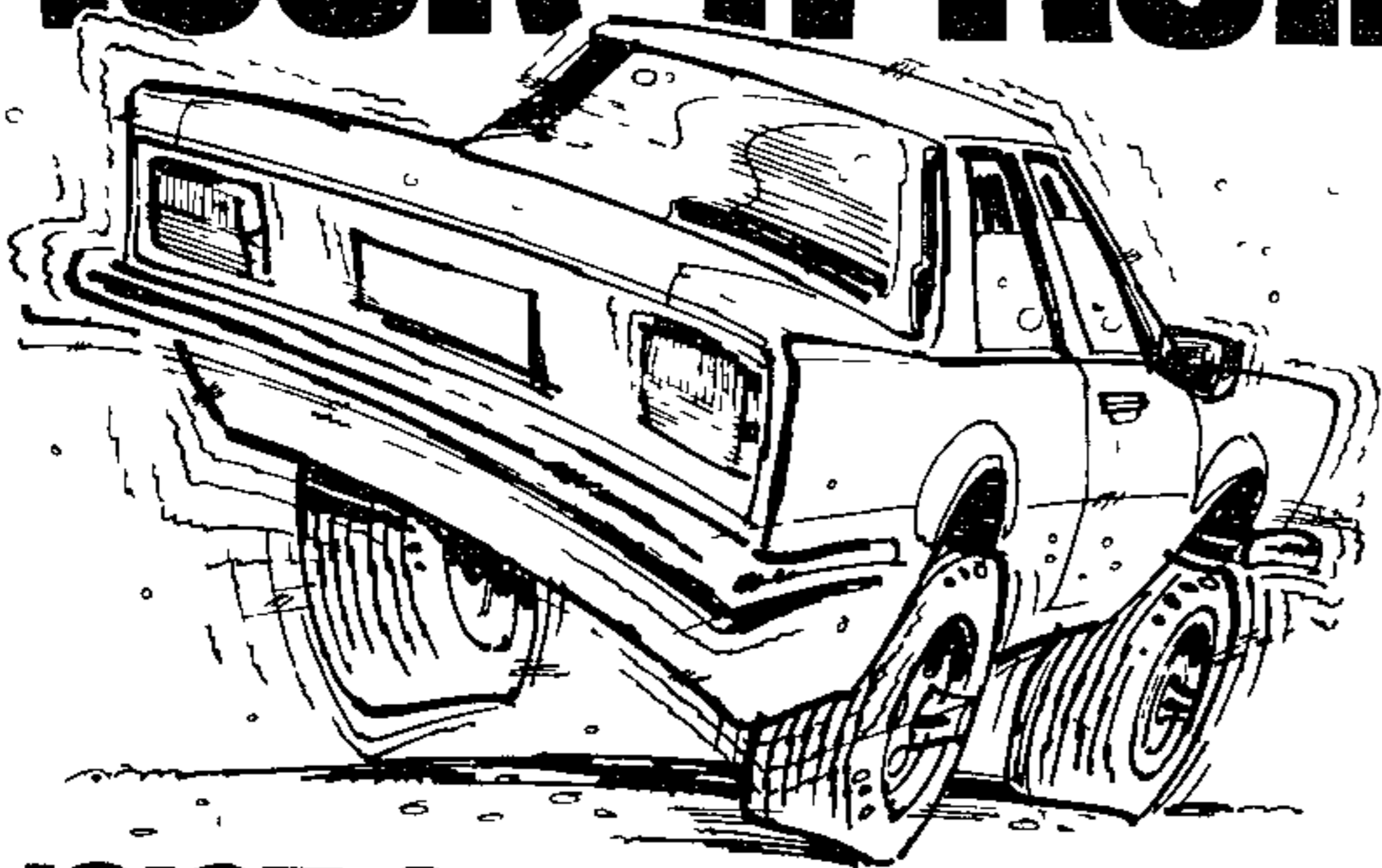
It was a decade saw Opel become responsible for Europe's passenger car design with Opel a new centre, GM had moved from national to European dimensions

Opel's fully justified claim is that its product line is the most modern in Europe. A claim which is evident in vehicle sales is starting to filter through to South Africa. The 1984 Opel range from General Motors cannot but impress.



The new Opel Commodore reflecting advanced German engineering

FAN Rock'n Roll



INSIST ON ARMSTRONG SHOCK ABSORBERS

Worn shock absorbers are detrimental to the handling of your car. Causing excessive body roll and loss of tyre contact to road surface. Making your car unsafe at any speed.

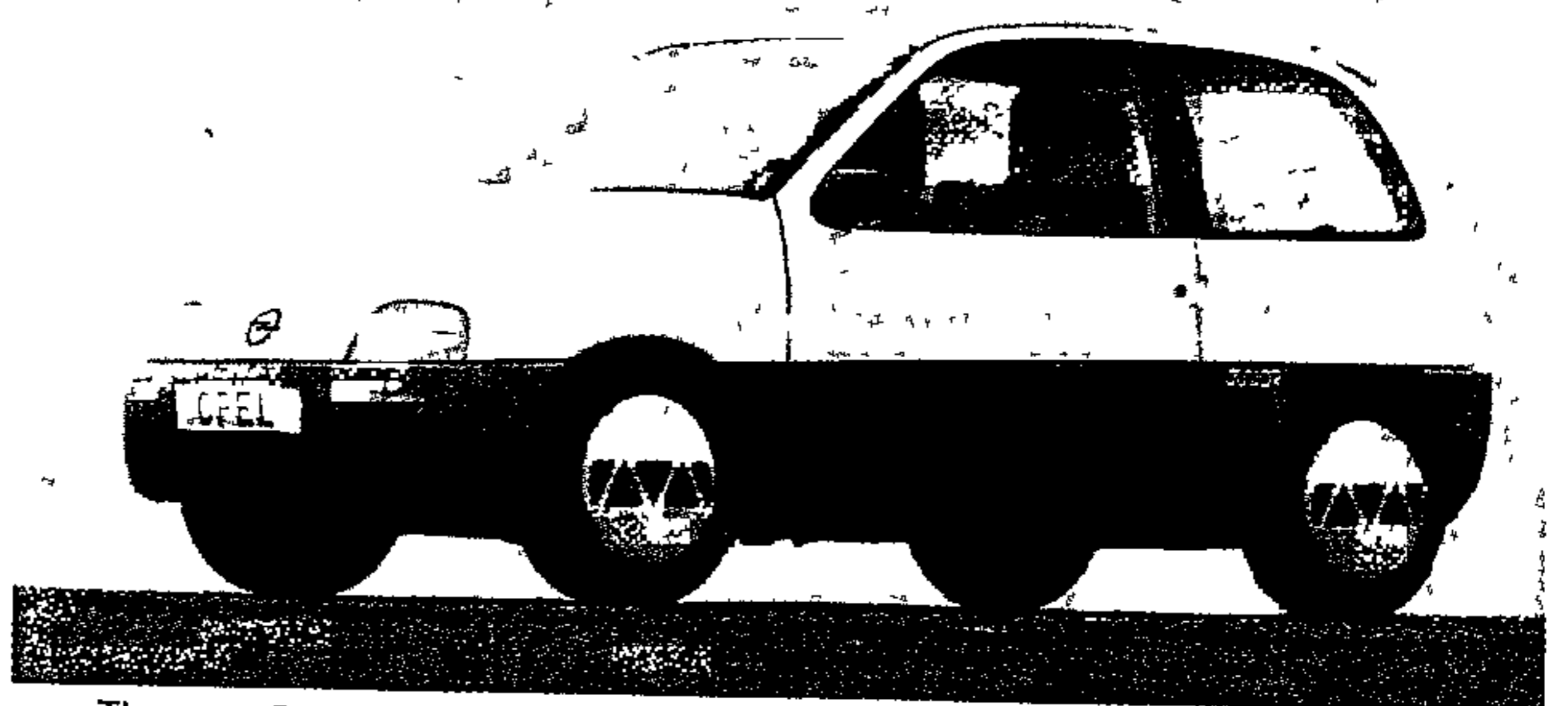
So put your car on its best behaviour. Insist on Armstrong shock absorbers.

ARMSTRONG

Fletcher Shelton Coordination P E ARM/87



Since 1962, 6,5 million Kadetts have been manufactured in Opel facilities. Of this number 1,5 million represent the present series.



The new Opel Junior seen at the 50th Frankfurt Show. Equipped with a 1,2 litre engine, delivering 40 Kw, the Junior accelerates from 0 — 100 km/h in 15 seconds. Top speed is some 150 km/h.

BAKKIE-LINER. An investment, not an expense.

Welfit Oddy Limited, South Africa's premier builders of quality commercial motor bodies are privileged to have been closely associated with General Motors South Africa (Pty.) Ltd. since their establishment in Port Elizabeth 57 years ago.

In 1892 Welfit Oddy started in Port Elizabeth as a Blacksmith shop, shoeing horses and repairing carts and wagons.

They soon progressed to the actual manufacture of carts and wagons, which were known for the quality and workmanship — especially the finish achieved by many coats of varnish applied by hand.

With the establishment of assembly plants in Port Elizabeth during the late 20's, Welfit Oddy watched their progress with interest and patiently awaited the day that the assembly plants would produce lorries for which converted bodies would be required.

The time arrived and Welfit Oddy slowly progressed from the manufacture of animal drawn vehicles to motorised bodies and became ac-

knowledgeable specialists in that field.

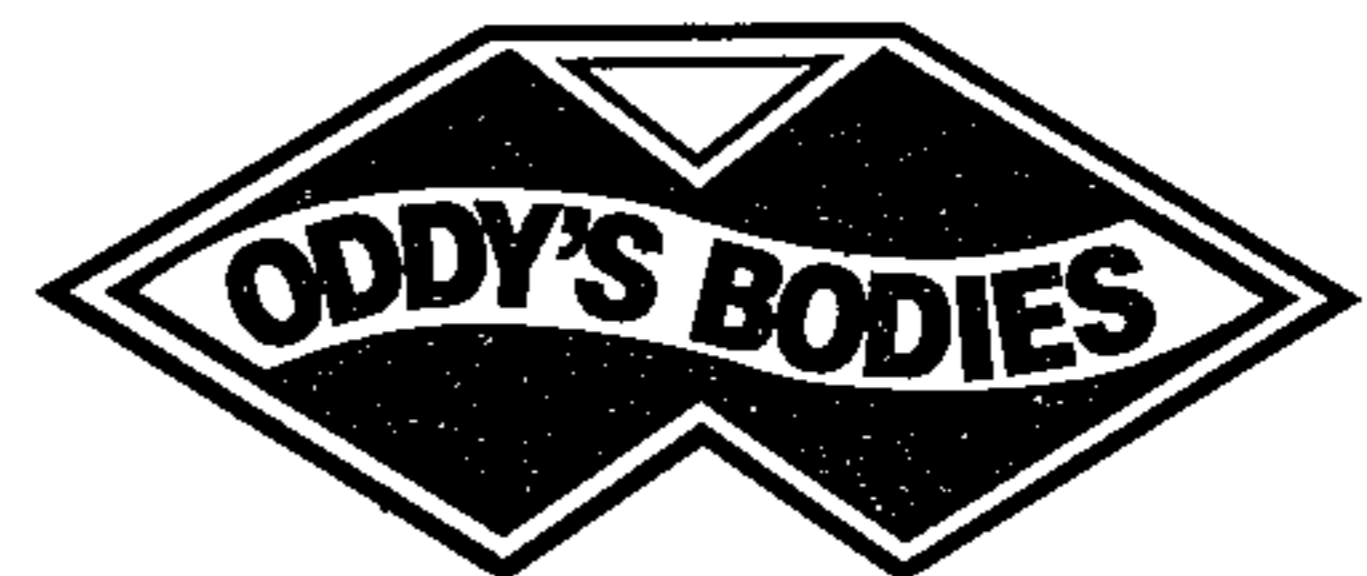
From wooden platform decks advances were made to dropsides and special goods carrying bodies but slowly all steel construction was introduced when Welfit Oddy gambled on the purchase of a steel guillotine and brake press.

The next step was the introduction of hand operated hoists in tipping bodies and from that stage overseas know-how was acquired and rapid development in motor body and trailer manufacture took place.

With the assembly plants policy to make more in South Africa Welfit Oddy were approached to develop a locally built pick up body which they did with great success and as years went by with more and more cooperation from the assembly plants, together with

more rigid quality demands, this particular type of product has developed into a highly sophisticated process involving complicated tooling. Today Welfit Oddy is able to satisfy the assembly plants with a full range of light and heavy commercial bodies, tankers, panel vans, ambulances, and other special purpose bodies.

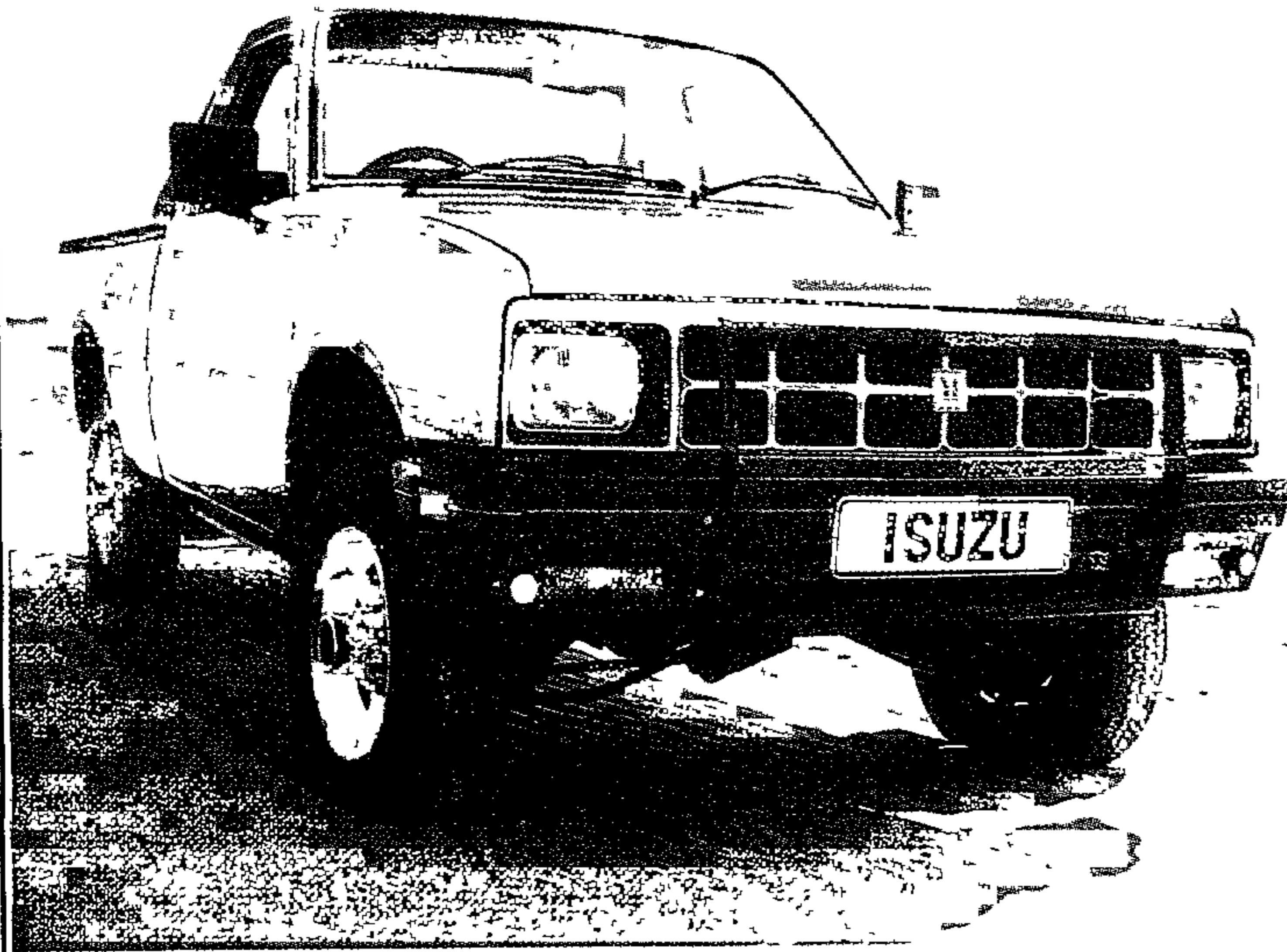
Welfit Oddy Limited look back with pride and forward with confidence and to this end have recently erected new spacious and modern premises in Port Elizabeth, and the final phase of construction will be completed by the end of 1984 so that they will have all the facilities to supply quality products within the delivery time quoted — and so continue the happy association with General Motors S.A. Pty Ltd for many years to come.



The proud and reliable Isuzu name

Isuzu's emergence in South Africa as one of the top selling truck makes follows on 1971 when General Motors purchased 34% of the stock of Isuzu Motors Limited and started marketing Isuzu trucks through the General Motor Dealer network in the country.

Isuzu's history began in 1916 when the Tokyo Ishikawajima Shipbuilding and Engineering Company Limited decided to diversify its activities and founded a motor vehicle manufacturing division. In conjunction with Wolseley — a British firm — cars and trucks of the Wolseley design were produced until 1927 when Isuzu switched to production of vehicles of its own design. The name Isuzu first appeared in 1934.



The Isuzu Company began concentrating on diesel engine technology and in 1941 the first diesel powered Isuzu were extremely successful with passenger car models in Japan and introduced Japan's first diesel powered passenger vehicle.

1971 was an extremely significant year for Isuzu with General Motors Corporation's stock purchase. This marked the beginning of a joint marketing venture and an unprecedented surge in sales of Isuzu trucks.

The increasing capitalisation and the access to General Motors' Research and Development benefited Isuzu tremendously. 1974 saw the first tangible result of this joint venture with the launch of Isuzu's Gemini. This attractive sedan was part of the General Motors World Car concept and shared many technical specifications with the Opel Kadett and Vauxhall Chevette.

1975 saw the launch of the Isuzu SBR422 — these highly successful high speed direct injection, diesel engines medium trucks, set new standards for performance and economy and did much to enhance Isuzu's popularity. In South Africa, the SBR422 soon became the sales leader in its mass class.

Another milestone occurred in 1977 with the introduction of the KB diesel bakkie. The KB series soon became one of South Africa's top selling bakkies offering 4 x 4 and long wheel-base variants.

The switch over to ADE engines was accomplished with the wholehearted support and assistance of Isuzu's Engineering Division. ADE engines Isuzu trucks have been extremely successful and marked a further milestone in this company's sales success in South Africa.

Isuzu are becoming more and more involved in projects with the General Motors Corporation, and are contributing significantly to both the passenger vehicle and the truck market. Isuzu's exciting 2-seater high performance Piazza has received international acclaim. The recently introduced Trooper — a 4 x 4 station wagon and the new forward control 1-ton vans and microbuses, give Isuzu an opportunity to maximise the available market.

There is no doubt that Isuzu has become a major force in the automotive industry, and that the company has earned its reputation for its technology and innovative design and styling.

R and D priority at GM

Research and Development have always been given top priority at General Motors in South Africa, as a result the company's Isuzu commercial and truck range is viewed as advanced in design and engineering.

Research and Development is carried out in close collaboration with the Isuzu in Japan. Here planning, design, prototype building and evaluation is done to the extremely high standards

set with regard to safety, reliability, economy, performance and comfort. The application of advanced technology to Isuzu product development is one of the basic ingredients when creating vehicles to satisfy user demands.

In Isuzu's Engineering Division, the Research and Experiment Department numbering more than 500 employees

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The ADE project and General Motors

The ADE 314, 617, 352 and ADE 407 engines, naturally aspirated and turbocharged, have been engineered and fitted into the GM/Isuzu range of medium and heavy commercial vehicles, giving a 64 0/0 ADE-power line-up in this range.

Fourteen months after being introduced, more than 600 ADE-powered Isuzu trucks are in operation on South African roads.

ADE travels with General Motors on the road in the "Atlantis Era" and offers its congratulations to a major customer on the occasion of its 75th anniversary.

The formidable task of re-engineering all South Africa's existing trucks, buses and tractors around the single ADE range of locally manufactured engines is all but complete.

It has been a challenging task. Nowhere else

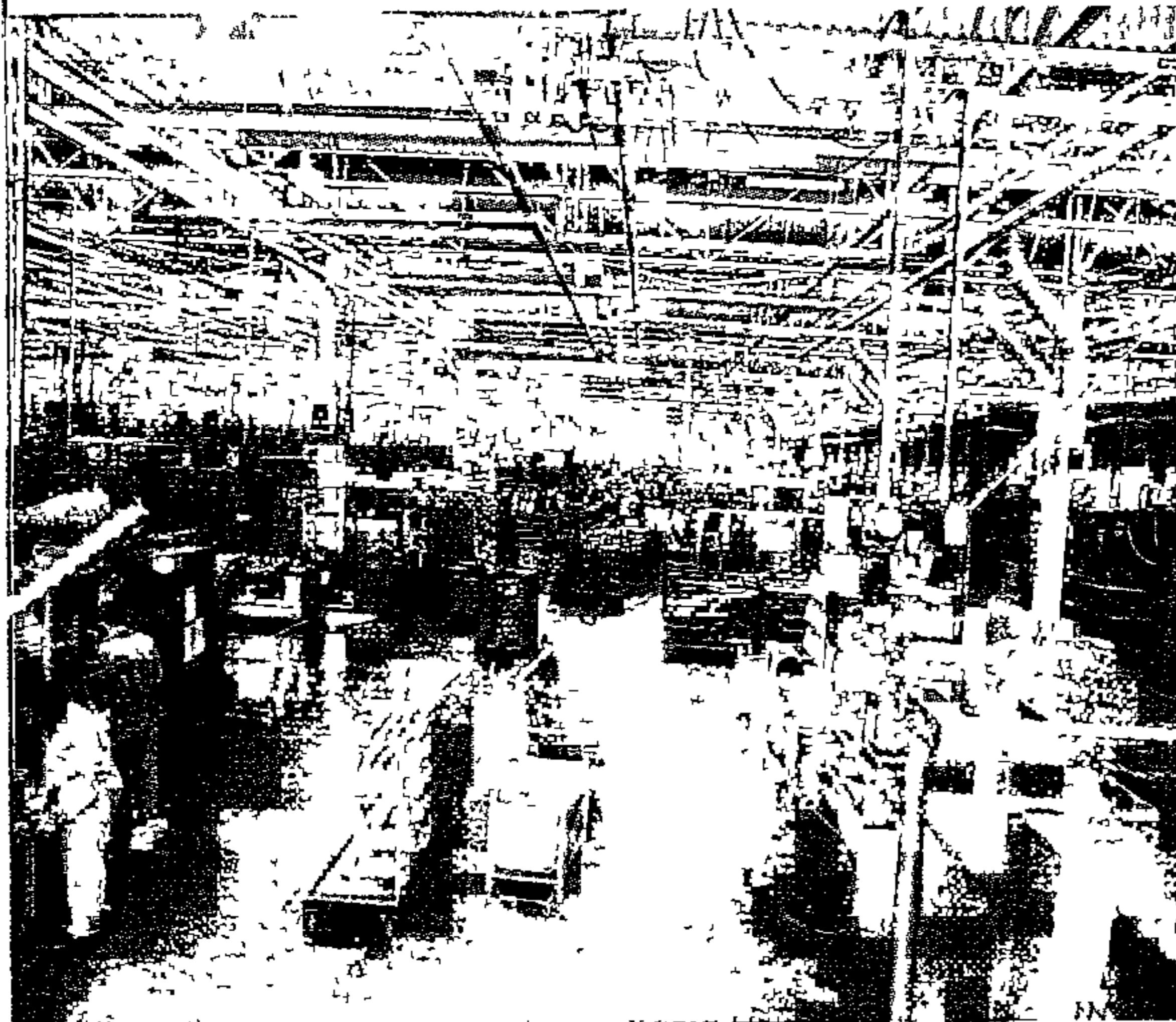
in the world has an entire transport and tractor industry been restructured around one standardised range of engines. Twenty-two international manufacturers are involved and to date more than 300 different engine installations and specifications have been drawn up to engineer the ADE engine into various makes and models.

The conversions of existing and new models has been highly successful. Engineering knowledge and experience has increased and the performance and economy of these final products has

been of the highest standard. The research and development facilities available to ADE will ensure that ADE engines remain in the forefront of current technology and are specifically suited to the South African sphere of operation.

To date, more than 34 000 ADE engines have been manufactured and more than 20 000 ADE-powered commercial vehicles, tractors and industrial units are in operation on South Africa's roads, farms and in industry — a mere two and a half years after the first ADE engine rolled off the production lines.

The high quality of the ADE product has achieved wide acceptance throughout the country.



ADE machines the six major and critical components of the engine: cylinder block, cylinder head, crankshaft, camshaft, connecting rod and flywheel. Operators are busy here with the machining of camshafts.

Who's in the drivers seat

According to the publication USA Today, a survey of auto industry leaders predicts that by 1990 General Motors will continue to be the United States' top vehicle manufacturer. In fact, General Motors will gain ground at the expense of the Ford Motor Company. Here's a look at projected market

	shares in 1990 Manufacturers' market share by percentage	
	1983	1990
General Motors	43	45
Ford	17	15
Chrysler	10	10
Imports	30	30

Manufacturers of Air, Fuel and Oil filters are proud to be associated with

GENERAL MOTORS SOUTH AFRICAN (Pty) Ltd.

and congratulate them on the occasion of their 57th anniversary of operation in South Africa, and 75 years as a world-wide corporation.

Dorbyl and General Motors — a proud association

Dorbyl Automotive Product (Pty) Ltd, through its four divisions, is proud of its association with General Motors South African (Pty) Ltd, some of which goes back more than 30 years.

Bus & Vehicle Body Division

For more than 30 years the Bus & Vehicle Body Division of Dorbyl Automotive Products (Pty) Limited better known in the industry as Busaf has been a supplier of bus bodywork on General Motors chassis. Many hundreds of bodies have been supplied on the popular Bedford and Chevrolet range of chassis for both the private market and various government departments.

In recent years these chassis have been replaced by the Isuzu range and Busaf is currently supplying a range of bodies on the various types of Isuzu chassis.

In addition to body chassis for State Departments and Public bodies Busaf through its retailing arm Buscraft offers to the private market the full range of Isuzu buses with medium sized 35 seater Isuzu SBR422 and the 24 seater Isuzu TLD54 being in regular series production for sale through the Buscraft outlets or through General Motors dealerships. Major contracts recently completed include 17 bodies on Isuzu DPR610 for City of Pietermaritzburg.

Guestro Wheels Division

Guestro Wheels Division commenced operations in 1961 to support the local content programme and supply roadwheels for General Motors vehicles such as Opel, Chevrolet, Pontiac, Vauxhall, Holden.

Guestro realised the need to be completely self sufficient and installed facilities staffed by qualified, competent engineers to design tools and dies, manufacture, to General Motors product quality and reliability standards, as well as international standards.

The division was one of the first to recognise the difficulty of trying to manufacture its product in accordance with the huge range of steel specifications originating from source countries. Guestro rationalised to use one specification for each disc and rim for many years.

As founder members of the Tyre and Rim Engineering Data Committee (TREDCO), and corresponding members with the American T&RA and European E.T.R.T.O., the division has expanded to Rosslyn, Heidelberg and Spartan and now manufactures more than 50 000 wheels per week for the full vehicle range.

Guestro is seen to be a leader in truck technology in South Africa following the introduction of the one piece 15 degree tubeless truck rim wheel which not only offers considerable advantage in mass reduction but also improved vehicle pay-load and probably most important of all, safety.

Robotics and Computers

The General Motors Corporation's pioneering efforts in robotics began in 1961, when a robot was used to unload a die casting machine. With some 2 000 robots in place today, the Corporation expects to have 5 000 installed by 1985.

GM has the only optically-directed arc-welding robot in the industry. The robot is showing excellent results. Several GM plants are also using robots equipped with laser range-finding devices to inspect critical dimensions of car bodies to achieve more precise body fits. Another operation uses perhaps the most sophisticated robot system in the industry — Numerically-Controlled (N/C) painter — which switches from

body style to body style and from colour to colour automatically.

While most robots are blind, dumb and insensitive to touch, GM is beginning to duplicate — at very primitive levels — some human sensory capabilities. For example, the sensory capability of the arc-welding robot is another step in a continuous movement of introducing artificial intelligence into the "Factory of the Future."

Over the past 30

Auto Components Division

Although Auto Components, as such, is a relative newcomer amongst component suppliers, it was General Motors who, in the early 1960's provided the opportunity for the local manufacture of seat frames. Their faith in and support of developing local sources of supply was responsible, in no small way, for the establishment of a facility within BUSAF for complete manufacture of front seat frames for the all South African Ranger.

From that base the business expanded into rear seat frames, other customers were enlisted, additional products were added and today the Auto Components Division of Dorbyl Automotive Products (Pty) Ltd, is a major supplier to General Motors and the motor industry as a whole.

Their products, many of which are made under license to reputable overseas manufacturers, include, Seat frames, Seat slides and height adjusters, Seat recliners, Pullmaxflex pads, Window regulators, Door hinges, Door locks, Window channels, Light chassis, Various steel pressings, Plated bumpers, Jacks and fuel tanks.

A wealth of product and a wealth of technical expertise has been built up to continue our valuable and lasting association with General Motors and the Motor Industry in general.

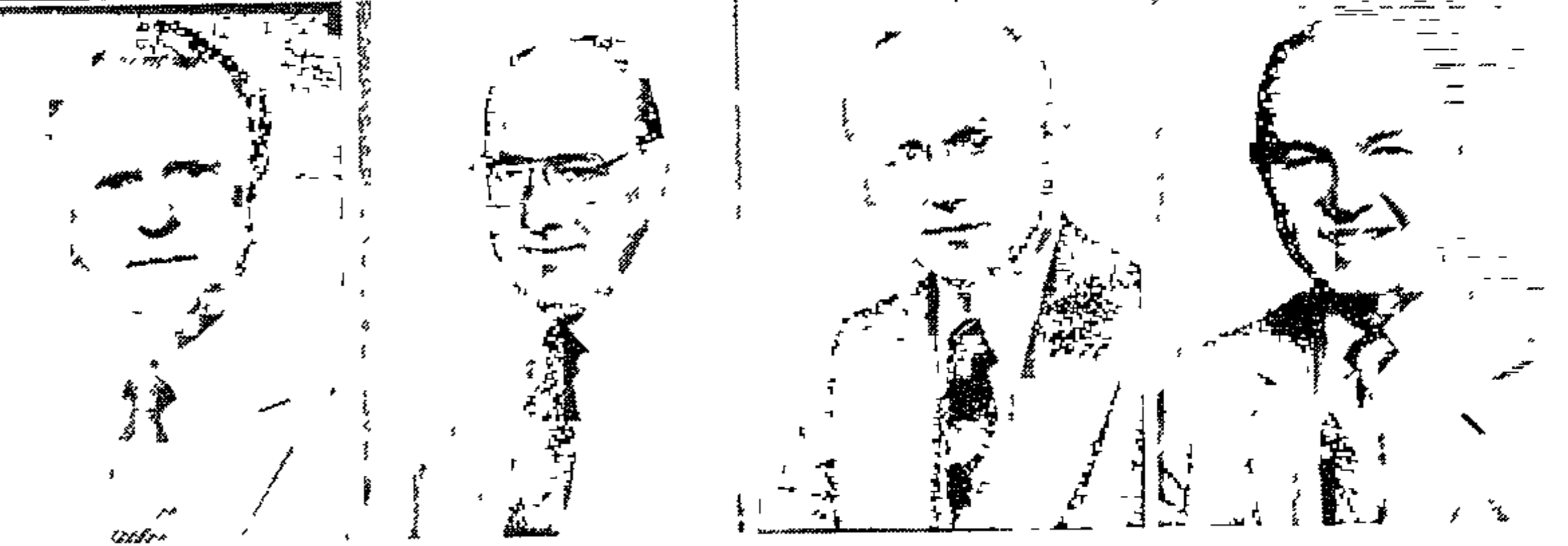
Forging and Machinery Division

The Forging and Machinery Division was established in 1965 as G.K.V. and since then has grown to become the major manufacturer of propshafts for General Motors and S.A. Motor Industry. The range covers cars, "bakkies", trucks and buses up to 20 000 kg gm.

Recent expansion and acquisition has introduced Rack and Pinion steering gears and constant velocity driving axles for front wheel drive vehicles, into the product range. Here again General Motors are to the fore in helping to pioneer the incorporation of such high technology and locally made components in their vehicles. One of the first to do so.

The steel forgings required in the above products as indeed those that are contained in engines, suspensions, rear driven axles, struts and steering systems are produced, where required, in its for shops in Uitenhage, Rosslyn and Atlantis. These facilities are fully supported by the most modern back up services including design, engineering and metallurgical expertise. High technology demands Quality. That's why we're in business with General Motors.

years, GM has been a leader in the development of Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) systems. The three basic elements of CAD/CAM are product design, production planning, and production engineering and tooling. CAD/CAM enables GM engineers to access more data that can be statistically analysed interactively with a computer. This ability results in improved quality, reduced costs and shorter development times — advantages which have significantly helped the corporation in its



Roger B. Smith, Chairman

Reuben R. Jensen, Executive Vice President

Howard H. Kehrl, Vice President

F. James McDonald, President

Top GM executives look at the next 25 years

The past 75 years saw dramatic changes take place in the motor industry. Dramatic changes, in many cases initiated by General Motors. How do top GM executives foresee developments in the industry during the next 25 years.

Roger B. Smith (Chairman of GM Corporation) "It's the mid-1990's. In intense competition, GM has again strengthened its position as the world's leading producer.

In the assembly and processing plants, highly sophisticated flexible automation now perform many tasks. In some of the larger machining operations, production continues virtually unattended through the night after the second shift has gone home and turned out most of the lights.

"Workers are more highly skilled and trained. Many work without direct supervision and with full authority and responsibility for their part of the operation. They are aided by a ten-fold increase in computer power to control the machines and help measure and chart every critical process to create a complete statistical control record for every vehicle.

"Being easily reprogrammable, the flexible automation allows for shorter production runs which are sometimes necessary for just-in-time inventory delivery, for faster changeovers when the market shifts, and also for a high degree of individualisation of cars which share common parts."

F. James McDonald (President of GM Corporation)

"In the next 25 years, as GM strives for even greater excellence, the quality of its products will be unsurpassed. And well before the next 25 years are done, the Corporation, its employees and their unions will fashion a new relationship to replace the traditional adversarial conflict that existed in the past. In its place will flourish a co-operative spirit, born of the realisation by management and employees alike that to be competitive we have to work together.

"I can make these predictions with little fear that history will prove them wrong because improvements in both quality and on-the-job relationships already are spreading throughout the company, and as they do, they strengthen and reinforce each other."

Howard H. Kehrl (Vice Chairman, GM Corporation)

"By its 100th anniversary, General Motors will be producing a variety of vehicles that do not run on petrol or diesel fuel.

"The most widely used alternative fuel will be methanol made from coal and perhaps also from natural gas if large domestic discoveries continue to be made. In addition to methanol, synthetic petrol and die-

sel fuel will be produced from both coal and oil shale.

"Electric vehicles for urban use will be more common, but electric cars will face intense competition from vehicles powered by compressed natural gas. Owners will refuel their natural gas cars at home by tying into the domestic utility gas line. Like electric, natural gas cars will be very small and have a limited range.

"Electronic systems will control or monitor nearly every major vehicle function. Braking will be computer controlled. Suspension will be electronically adjusted — either automatically to match the load or road surface, or at the discretion of the driver.

"All the major systems of a vehicle will have electronic self-diagnostics by the year 2008, and growing attention will be given to prognostics — the automatic monitoring of components and functions by electronic systems which alert the driver to potential problems so that they can be avoided.

"In our plants, microprocessor controllers, tied together by a supervisory computer, will automatically direct complex assembly and manufacturing operations.

"Called the 'Factory of the Future' by some,

this fulfillment of the promise of computer-aided design and computer-aided manufacturing will revolutionise the way products are produced."

Reuben R. Jensen (Executive Vice President, GM Corporation) "The next 25 years will see GM become involved in an increasing number of joint ventures — both to produce and exploit production technology developed by the company.

"At the same time, the major global producers will expand their international sourcing of components. Alliances between producers will be increasingly common as competition intensifies and becomes even more global in nature.

"Some of the world's markets will still require specific vehicle features or characteristics, either to satisfy customers or meet local regulations. But the growth of international sourcing of components and the significant progress in the so-called 'harmonisation' of various national automotive regulations will have a true 'world car' well on its way to becoming a reality.

"High technology products or processing are most likely to be located in the United States, even as additional countries become a part of the global auto industry."

GM Innovations 1927 — 1983

1927 — Cadillac becomes first car to display dual tail lamps.

1928 — Shatter-proof safety glass introduced in all windows of 1929 Cadillac and LaSalle models.

1934 — First barrier impact test conducted when GM cars are directed into a retaining wall at low speeds.

1940 Guide Lamp announces the first day/night inside rearview mirror to reduce glare from following traffic at night — appears initially on 1942 Cadillacs.

1941 — Fisher Body introduces four-door sedans with free wheeling feature for inside door release handles; when the lock button is pushed down, handle will not open the door.

1954 — Oldsmobiles are built with electric windows wired through the ignition to prevent being operated by children left unattended in a parked vehicle with the engine turned off.

1958 — Buick adopts finned, aluminium brake drums for faster brake cooling.

1966 — GM co-operates with other auto and glass manufacturers to develop high penetration-resistant windshield glass incorporated into 1966 models.

1968 — Fisher Body introduces child safety seat to protect one-to-four-year-olds from interior collision.

1971 — Pontiac unveils first maintenance-free sealed battery.

1972 — Oldsmobile adopts first disc brake wear indicator to warn drivers when front brake linings should be replaced.

1973 — GM full-size models display the first front indicator so a visual determination can be made of the need for ball joint replacement. GM manufactures first production car equipped with air cushion restraint system on 1974 full-size models.

1974 — GM installs catalytic converter on all 1975 cars sold in U.S.

1980 — First automatic seat belt that combines both lap and shoulder belt in one assembly is offered on Chevette as option. GM installs Computer Command Control system on all 1981 petrol powered cars sold in U.S.

1983 — GM initiates first U.S. field test of new type windshield with additional layer of plastic film bonded to interior surface to help prevent facial lacerations if the occupant strikes the windshield during a collision.

culations a second, and by constantly adjusting the air-fuel ratio and spark timing, greatly improve engine efficiency.

The use of computers in the future will be expanded to areas such as transmission, suspension systems, electronic displays, braking and more sophisticated fuel-injection and navigation systems. At present, one GM test vehicle already is equipped with three on-board navigation systems, two of which have a display system that features digitally-stored maps, automatic paging and selectable map scales. Eventually, use of such systems may replace conventional road maps with map cassettes.

downsizing programs.

The largest growth in the use of computers in the next several years at GM will be in manufacturing. GM engineers predict that CAM will provide significant contributions to production of more complex vehicles with better quality at lower manufacturing costs.

Computerization has helped to revolutionize automotive technology. The Computer Command Control system introduced on some GM cars, for example can make thousands of cal-

Lucas**Industries South Africa**

Established in 1875 the original firm of Joseph Lucas really got started with the manufacture of a patented ships paraffin lantern which stayed afloat under all circumstances at sea short of total immersion.

The business developed into the manufacture of a range of cycle lamps sold under the slogan "Kings of the Road" which was to become famous, and gradually extended its interests into motor vehicle lamps and the necessary charging equipment for the battery, until between the wars a complete range of automotive electrical equipment was being offered, and there wasn't a motor manufacturer in England that didn't rely on Lucas to provide their electrical needs.

After World War II a completely new philosophy of a full range

of Standard Electrical Equipment available at very keen prices was successfully promoted amongst the customers, and as the British Motor Industry spread out into the world, Lucas went with them and supported their activities wherever local content was required.

The essence of the formal South Africa local content programme began to emerge around 1965 at which time Lucas sent a team to the country to investigate the possibility of establishing a factory here. The team returned to the UK with an enthusiastic recommendation to invest, and by the time the local content programme was finally introduced in 1970, the Lucas factory at Florida on the West Rand was already nearing completion.

At the time of the sur-

vey in 1965, General Motors were, of course, amongst the very few manufacturers with a solid background of experience in South Africa with a properly established purchasing organisation and were, therefore, in the forefront of those encouraging Lucas to participate in the enormous prospects the country offered.

When the first products began to roll off the brand new assembly lines, GM were as good as their word and supported this new operation with orders to provide the Starter Motors and Alternators which were now being made for South African material, and thus qualified for the now all-important local content certification.

Seeing South Africa as one of the major potential growth markets

in the world, the Lucas management have no hesitation in making substantial investments in the ongoing expansion of their resources in the country.

As a result the original Lucas premises have been more than doubled in size since the start, and now included comprehensive test and development to match the requirements of the now sophisticated South African Motor Industry.

In 1981 the Lucas South African designed an Alternator of unique construction specifically to meet a General Motors requirement. This machine had the virtue of providing the wide variety of mounting features needed from just one pair of diecast housings, at the same time reducing the machining operations required to an absolute minimum, and the de-

sign expertise demonstrated resulted in the team being presented with one of the SA Design Institute's Awards for that year.

Lucas have thus kept abreast of new technology as it emerged from Europe, and their local design team have adapted the latest Lucas products to suit the Opel Engine range now so successfully established by General Motors, so that Lucas is honoured to continue in the role of a major supplier to General Motors, and look forward to remaining in this position through the exciting years to come.

**Southern Star keeps GM wheels rolling**

Twenty years ago the Southern Star organisation started operations as a vehicle shipping company today, with General Motors South African as its biggest, oldest customer, thousands upon thousands of vehicles have been shipped throughout the country.

Vehicle shipping operations started in August 1963. The following year Southern Star began shipping GM products from Port Elizabeth to dealerships on the Reef. A reliable swift service resulted in Southern Star being awarded the full contract of delivering GM products to its country wide dealer network in 1970.

Today Southern Star, based in Johannesburg, has branch offices in Durban, East London, Port Elizabeth and also depots in Bloemfontein and Kaalfontein.

Southern Star deliveries are done by road, rail and ship and the company employs more than 300 drivers, who take the utmost care in delivering the vehicles to various destinations.

A milestone in Southern Star history was the opening of an engineering workshop in Port Elizabeth earlier this year. Commercial vehicle customising and chassis extensions and passenger accessory fitment are carried out as this workshop.

Colour for General Motors

AECI has been the major supplier of coatings to General Motors for 35 years, that is since the introduction of import control in 1948. Prior to this, paint for the industry was often included in the CKD pack (GM at one time brought their paint into the country in the form of base colours from which finishing shades were mixed and colour matched by GM themselves). Import control provided the opportunity for AECI Paints to show that it was capable of providing the materials

the industry required, and in short space of time, imported automotive paints virtually disappeared from the local scene.

There were many problems in those early days, the paint shop was primitive by today's standards and were not as tightly run as they are now. However, labour was no problem and words like productivity, head count and quality circles, were unknown to most of us.

The topcoats were Duco nitrocellulose lacquers requiring force

drying and then compounding and polishing to produce a glossy surface. It was quite amazing to see how easily European women on the compounding deck, some tough cookies among them, handled the heavy polishing mops. A lot of money was spent putting paint onto the car and in ensuring dirt was absent during spraying and drying operations and then again a lot of money was spent compounding down the paint and so creating more dirt and dust to make clean units

more difficult to obtain.

At the end of 1959 AECI introduced du Pont acrylic lacquers into GM — lacquers with much improved appearance and gloss retention, the latter especially important for metallic shades.

Our early acrylic lacquers also required polishing and compounding but a few years later second generation acrylics were introduced giving showroom appearance without polishing, achieved by the "Thermal Reflow" process, whereby high temperatures were used to "melt" the paint causing it to flow out to

a smooth glossy surface.

Today GM are using thermosetting acrylic synthetics and the latest two coat metallic technology from Glasurit, Germany, providing metallic finishes of superb gloss retention, with the metallic particles sealed in by a transparent clearcoat and so protected from the elements.

Priming materials too have been improved greatly over the years and the latest epoxy primer surfacers in use today offer improved chip and corrosion resistance.

AECI Paints serves GM from their 38 acre

site at Struandale on which is located one of the most modern paint factories on this Continent as well as an Automotive R & D Laboratory, recently greatly extended and provided with computer colour matching equipment and pilot plant facilities. On this site some 20 — 30 million litres of coatings are produced each year, not only for the automotive industry but also for the vehicle repair (refinish) industry, another market where AECI Paints are leaders.

It is AECI Paint's policy to ensure that the

most modern and sophisticated coatings systems are available to the S.A. Motor Industry at all times and as part of this commitment, for example, recently invested R9 million in increasing resin making capacity for the production of PPG Cathodic Electrocoat, the most advanced anti-rust protection available. By maintaining a vigorous R & D programme and frequent contact with the world's major research centres AECI will ensure that the finishes on GM cars and trucks are the best available and well suited to our tough climate.

GENERAL MOTORS, WE'RE PROUD TO BE RIGHT BEHIND YOU, RIGHT BESIDE YOU AND RIGHT IN FRONT OF YOU.

PILKINGTON SAFETY GLASS

Pilkington Safety Glass have supplied the motor industry for many years with Armourplate toughened safety glass for side and rear windows.

Armourplate toughened Safety Glass is approximately four times stronger than ordinary glass, and when broken, it fractures into relatively small harmless particles.

Pilkington Safety Glass was the first company in the Southern Hemisphere to introduce a new horizontal toughening furnace. This revolutionised production techniques and made the company a world leader in toughened safety glass.

General Motors have honoured the high product quality and reliable service of Pilkington Safety Glass by giving them the **QUALITY AWARD** every year since its inception in 1972/73.

SHATTERPRUFE AND PILKINGTON. SUPPLYING CARS WITH CLASS, WITH GLASS.

ARMOURPLATE**PILKINGTON****SHATTERPRUFE LAMINATED SAFETY GLASS**

Shatterprufe have supplied General Motors with windscreens since 1929. And today, Shatterprufe is still the only laminated safety glass used for windscreen application. It consists of two sheets of ordinary glass laminated to a super-tough, impact resistant vinyl interlayer. On impact, the glass may crack, but the interlayer holds it together. Preventing windscreen penetration and injury from flying glass.

And through the years General Motors have recognised Shatterprufe's continuing commitment to quality of product and service, with the **QUALITY AWARD** — which Shatterprufe have earned every year since its inception 10 years ago.



The World Car and its challenges

General Motors' strong commitment to international automotive competition follows naturally from more than 52 years of major worldwide operations

In the early days of the automotive industry, GM was primarily an exporter of American-made vehicles. Over the years, the Corporation has developed into an international motor vehicle manufacturer

Recent events have sharpened the awareness of US auto manufacturers and consumers that the auto industry competition does not stop at the US border, nor are automobile manufacturing and sale compartmentalized by country. This reality has spurred both domestic and foreign efficiency to meet the world's varying demands for private transportation.

The international automotive market is already large and shows every sign of increased growth. GM estimates that global auto sales

will approach 50 million vehicles by 1990. General Motors intends to take full advantage of these opportunities with improved assembly, manufacturing, and marketing capabilities, and is investing more than 8 billion dollars overseas between 1980 and the end of 1984.

The "world car" concept is one way for GM to achieve the efficiencies necessary to compete worldwide. At General Motors, the term "world car" denotes a business concept rather than any one specific vehicle.

The two key elements of GM's world car concept are:

* An advanced basic design concept leading to vehicle designs which meet critical worldwide standards and which can be modified to meet customer demands and tastes and the requirements of national governments.

* The sourcing of components worldwide wherever possible.

The world car is actually a family of cars of similar external dimensions produced in different countries. The concept has a number of advantages for General Motors' international operations.

* These cars can be adapted to use a number of similar or interchangeable parts and components. Further, putting the world car concept into effect assures that the best talents and resources of GM's worldwide organization are available to each unit.

The "J" car product lineup offers a range of models, tailored to the needs and desires of customers in various countries.

* Designing a family of vehicles also provides General Motors with sufficient flexibility among source plants to allow incorporation of any engineering changes needed to meet local customer demands and government regulations.

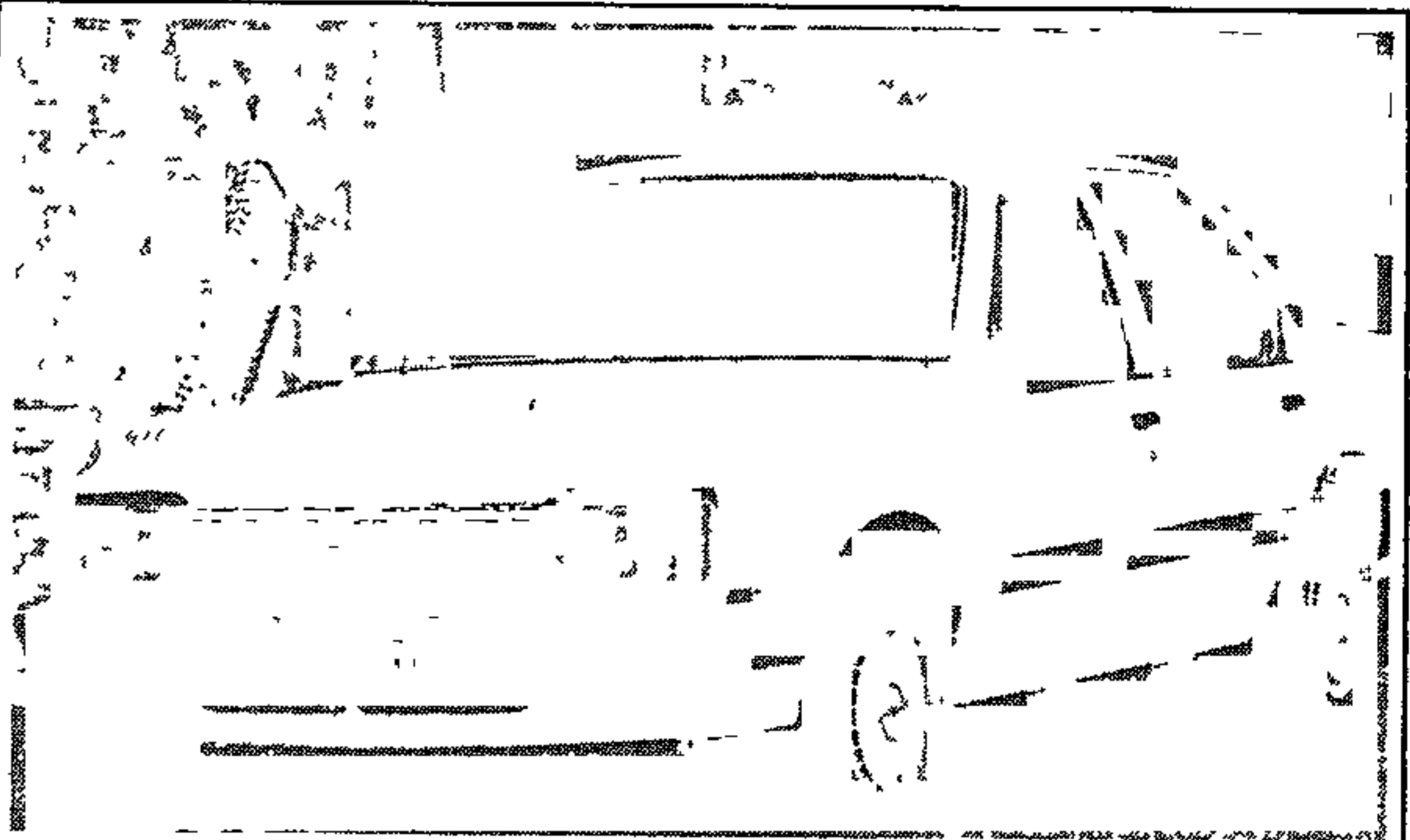
* Vehicles can be produced in optimum volumes to achieve economies of scale. These cars can be sold in countries where they are manufactured and assembled, as well as in countries with similar market requirements.

* Components can be produced in several different geographic locations at economical volumes. Export of these components generates foreign exchange for the country and import credits for General Motors.

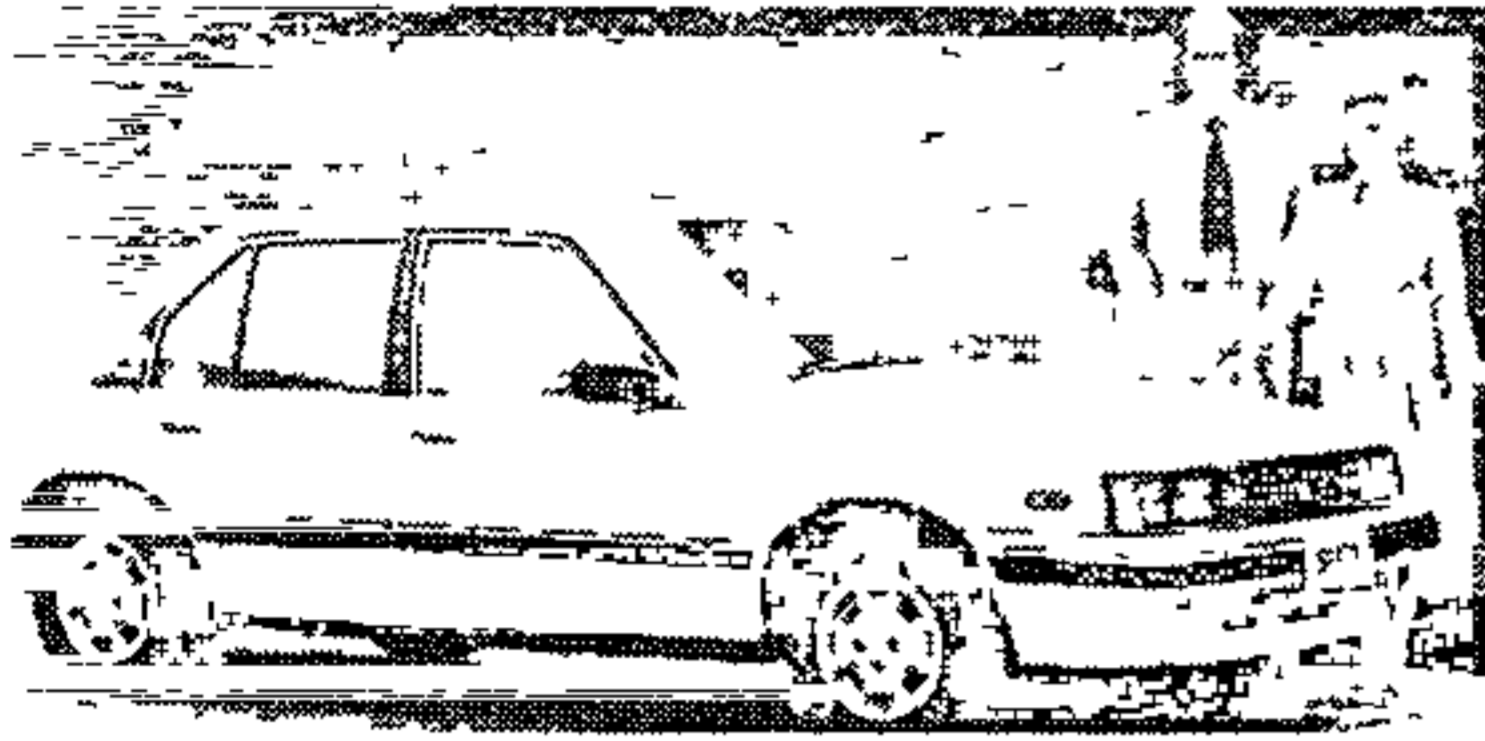
An integrated global approach improves engineering effectiveness, reduces tooling and production cost, provides economies of scale for both components and finished products, and increases manufacturing and supply flexibility. Together, these benefits enable GM to compete more effectively, not only in the United States, but around the World.

General Motors' world car concepts offers major benefits to consumers around the world and to the various nations in which GM operates. Consumers worldwide do not have to sacrifice personal transportation as energy resources become scarce.

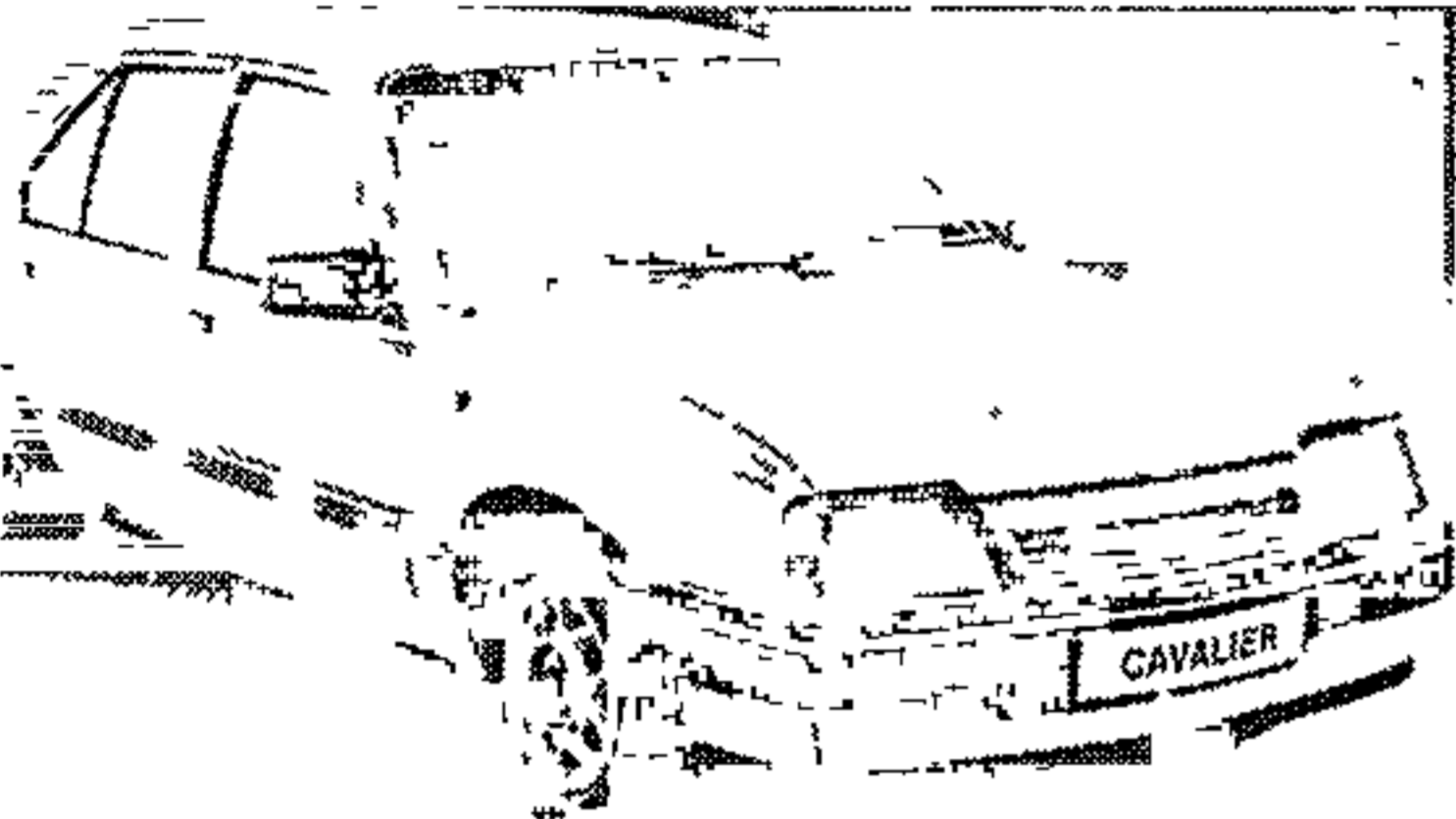
Because of the world



The Opel Ascona South Africa's 'J' car



The Aska, Japan's 'J' Car



The Cavalier, Britain's 'J' Car

car concept, countries which might not have the resources to totally design and tool a new car on their own, will have a "J" car model. This is possible because of GM's ability to export high-volume products in exchange for the import of items which are not economically feasible to produce in the country.

Although the world car concept is relatively simple, its implementation is not. Non-tariff barriers such as certain local content requirements, national or regional safety and environmental standards, individual test procedures, and local inspection requirements —

remain major obstacles to open international commerce for the auto industry.

Vehicle lighting requirements provide one good example of how difference in national standards can add significantly to customer's costs — often without returning any real benefit.

Each nation obviously thinks its standards are best. But above all conflicting requirements must be eliminated if greater global automotive trade is to be achieved. While progress is slow, there is reason for optimism.

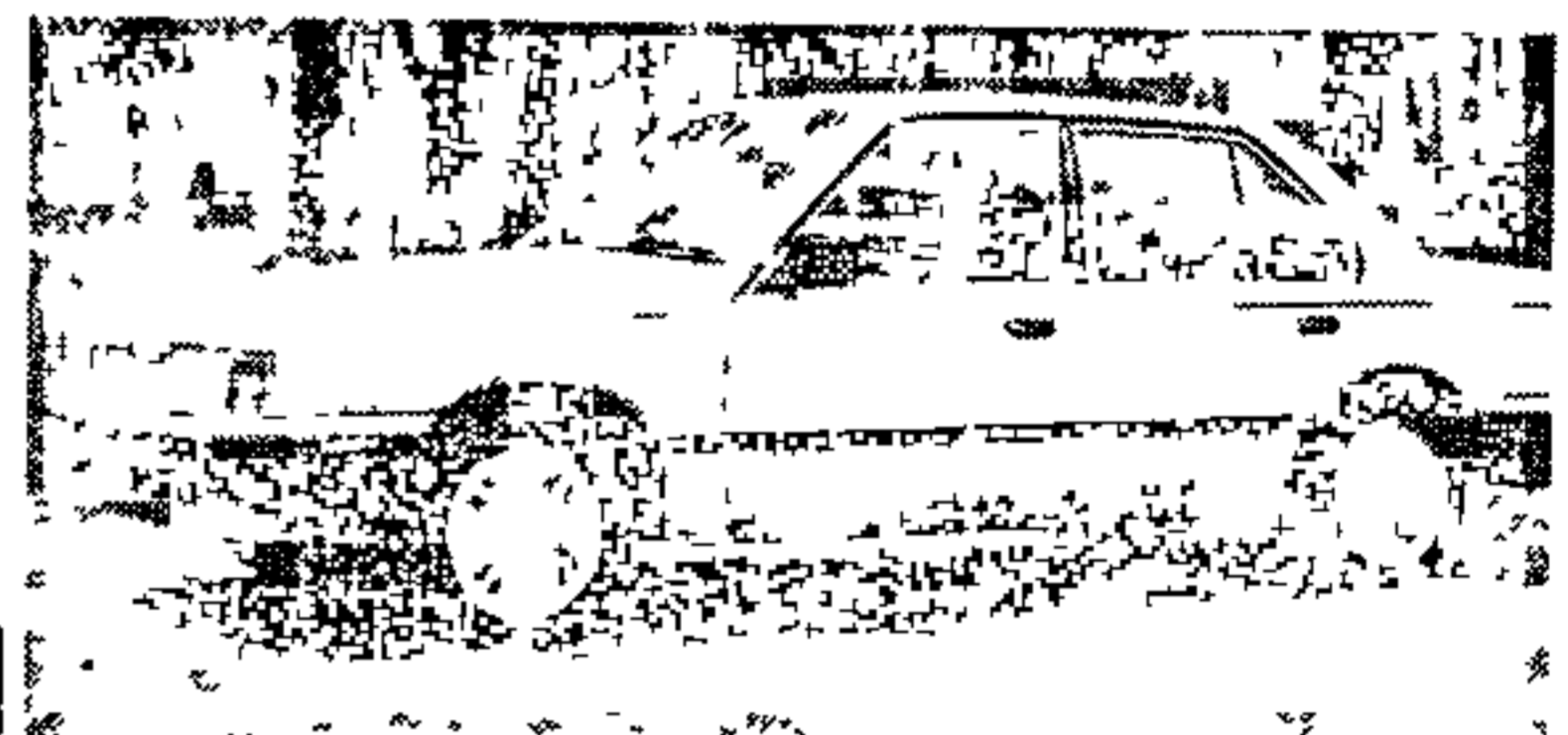
Developing nations, which regard a healthy

domestic automotive industry as essential to their economic well-being and their future industrial development, are particularly likely to establish local-content.

With very few exceptions, General Motors has succeeded in working with such countries.

Indeed GM has successfully reconciled its business interests with those of its host countries. General Motors has found that host countries and worldwide companies often agree on the way businesses should operate. When GM considers a trade restriction or industrial policy unreasonable, the Corporation tries to work out an acceptable way to achieve the host country's desired goal.

General Motors currently is working with several governments encouraging them to use more flexibility to resolve many of the obstacles caused by their local content and vehicle standards requirements.



The Camira, Australia's 'J' car

A wealth of experience in precision engineering and quality control contributing to the wealth of South Africa



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GM operations going global

General Motors traces its worldwide automotive heritage to the formation of the GM Export Company in 1911 — three years after the founding of GM itself.

During its first three years the GM Export Company shipped a total of 100 fully assembled Buick passenger cars from the United States. Less than a decade later, GM trucks and cars were in use around the world.

In 1923, General Motors established GM International, its first overseas assembly operation, at Copenhagen, Denmark. Shortly thereafter, GM decided to manufacture components and cars more suited to European needs and tastes, and acquired Vauxhall Motors in England in 1925 and Adam Opel in Germany in 1929.

During the 1920's and 1930's while the GM Export company continued to export vehicles to countries where the Corporation did not manufacture or assemble them, GM added new assembly operations around the world.

In 1938, the Corporation reorganized its international business and formed the GM Overseas Operation Division. GM was then selling more than 350,000 cars and trucks outside the United States and Canada.

Following World War II, the division grew rapidly, expanding operations in

Australia and Brazil into major manufacturing facilities.

In 1978, Overseas Operations was elevated from the level of division to that of General Motors' group.

GM's current international vehicle lineup is sourced worldwide and is specifically designed to meet customer demands and government requirements in each country where models are produced and sold.

An example of the 'J' cars are the Opel Ascona in South Africa, the successful Vauxhall Cavalier in Britain and Camira in Australia. In April this year, Isuzu Motors introduced its 'J' car — the Aska — in Japan.

Overall, GM's international operations today are well positioned with a full line of products and new modernized facilities to meet anticipated growth.

In 1982, GM sold more than 1.7 million vehicles outside the United States and Canada — an increase of 7.2 percent over 1981. Today, the company has major assembly and sales operations in 36 countries outside the US and Canada.

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test vehicles for durability, conduct experiments to improve fuel economy, evaluate overall performance as users would, study vehicle safety by checking the vehicles' ability to withstand collisions, develop brakes, and conduct vibration tests for rigidity.

In addition, there are also groups that study performance, noise and durability of the mechanical and electrical parts.

The facilities for conducting research and tests are in the Kawasaki Plant, Fujisawa Plant, Tochigi Works and the Hokkaido Proving Ground where various tests are conducted to ensure that vehicles sent to the market place are safe and of high quality.

Isuzu's advanced technology is in

evidence wherever research is conducted — technology ranging from laser holography for checking rigidity to computerized analyses and automated laboratories.

Just outside Port Elizabeth General Motors continues with track testing to ensure that the vehicles available in South Africa maintain the high standards set in Japan. The actual track conditions are so severe that the distance travelled can be multiplied by a factor of six. Following the tests, modifications are made to tailor the product to best suit local operating conditions — all being carried out with the fullest co-operation from Isuzu Motors in Japan to ensure that a top-quality vehicle is made available to the South African user.