Foreign Firms in SA - Japanese

From

1975 — 1985

(71)

Toyota plan to extend new plant

Sun T. (B.T.) 18/5/75

SOUTH AFRICA's biggest sellers of commercial vehicles, Toyota, which settled into its new R2-million assembly plant at Durban only last August, is already planning the next step in its ambitious expansion programme.

In the first four months of this year, the 126 m assembly line — claimed to be the longest in South Africa — was turning out 28 units a day. By June, this figure is expected to have risen to 45 a day and in five years from now to 70 a day.

Motor Assemblies, the firm which assembles the Japanese-built Toyota and Hino range, has one of the few plants in South Africa designed and built as a heavy truck plant.

It employs 220 Africans, 25 Whites and 15 Indians. When the plant reaches its next target of 60 vehicles a day these figures will have risen to 300 Africans, 30 Whites and 48 Indians.

Bert Wessels, truck plant manager, said: "We put a lot into planning this new plant. We have mechanised throughout, and put in the latest equipment. Its concept is very modern.

"It was built specifically for the models which are being turned out right now. It is big enough to turn out 60 vehicles a day and there is room for expansion when it is needed. We hope eventually to turn out 80 a day.

"On the heavy truck side we are turning out only about 10 or 11 a day at the moment, but we have a capability of about 20 a day.

"It is in the light commercial vehicles that our volume lies, and this gives us our bread and butter, but we are still looking at the possibility of bringing in new heavy models."

Motor Assemblies' Black work force earned praise from Ralph Broadley, manufacturing manager. He said: "They are good workers and they turn up for work regularly.

"Their wages have gone up dramatically — two and a half years ago they earned 22c an hour and now they get 52c an hour — but the rises have created a lot of stability in our work force.

"They are not as flexible as some other workers, and they like to stay at one job, but once the African gets the rhythm of the job he does it very well.

"We find that with the wage rises, production has also gone up dramatically. A lot of the increases the workers have got have been paid for by increased productivity, so that the public has benefited. But this sort of thing cannot go on indefinitely and future wage rises may have to be passed on to the public.

"We are reaching a point where productivity increases can only come much more slowly.

"The plant has launched a new model every month since it has opened."

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S. Times (B.T.) 18/5/75

Japanese dominant — share growing

THREE Japanese firms now dominate the South African commercial vehicle market.

Spectacular sales successes made in recent years by Toyota, Datsun and Mazda have given these three about 40 per cent of the South African commercial market — and all three are still increasing their hold on what is proving a lucrative field.

The Americans, represented mainly by Ford, GM, Mack, International Harvester and Oshkosh, have lost much of their prime position in the market.

Mack, IH and Oshkosh are, of course, virtual newcomers to the South African scene, but the big two, Ford and GM, have both lost out dramatically to the Japanese.

The Germans, represented by Volkswagen, Mercedes and Deutz Magirus, are virtually holding their own. In some instances they can report an increased share of sales, while in others they have dropped a little.

Britain, on the other hand, represented mainly by Leyland, ERF and Foden, has not fared so well.

A steadily improving supply situation has, however, seen Leyland's commercial vehicle sales increase by 76,9 per cent to 591 vehicles in March, compared with February figures. The introduction of the Marina bakkie should see a further increase from April onwards.

(71)

'Secret' survey of SA wages

Involved? C.T. 7/11/78

NEW YORK.—A Japanese economist who spent September in South Africa "secretly" investigating Japan's trade and business links with the Republic met Japanese Government officials here on Wednesday to discuss her findings, which she claims prove a "frightening" involvement far beyond anything realized up to now.

She also accused Japanese companies of being "the worst" in their lack of concern for Black workers in South Africa and told a United Nations committee hearing: "Tokyo is starving African workers in South Africa."

Mrs Yoko Kitazawa, a 40-year-old mother of two, will testify before two other UN committees this week and her detailed findings and statistics will be published in New York and Japan.

Neat and sharp-witted, she is well known in Japan as an expert on Japanese investment in East Asia. She flew into Jan Smuts on August 24 on board a British Airways flight.

DENIALS

Japan at the UN continues vigorously to deny any involvement with South Africa and argues that no firm doing business in Japan is allowed to make any direct investment in South Africa.

The Kitazawa report will include:

A detailed breakdown of Japan's future dependence on South African uranium — about 40 percent of its total needs from next year on;

Japan's position in five South African industrial development projects;

Statistical estimates of Japanese-South African trade figures over the next few years;

Close investigation of the 70 individual Japanese companies with representation in the Republic.

"Managements in Japan tend to have little concern for the workers they exploit in South Africa," said Mrs Kitazawa. Toyota, for example, paid 38 cents an hour, or 35 percent less than American carmakers in the Republic had pledged as starting pay.

The bargain-hunters

Sun. Trib. & prop. 18/9/77

METAL EXPORTERS LOCKED IN BATTLE WITH JAPANESE FIRMS

66

SPECIAL REPORT BY ALAN PEAT

MILLIONS of rands in commodity export returns are at stake this week as two of South Africa's major commodity exporters hammer out new prices with their Japanese buyers.

In Japan, a top-level Iscor team has arrived to negotiate with Japanese steelmakers for higher iron ore prices for their hard-pressed industry. And in Johannesburg representatives of Rand Mines are locked in a clinch with a combined team from ferroalloy makers Showa Denko and Japan Metals and Chemicals, with the Japanese looking for lower prices for South African chrome ore.

Iscor's vice-president Phillip Pretorius and export manager Paul Roux flew to Japan last week to seek upward revision of contracted iron ore prices, necessary, according to industry sources, because of the spiralling production costs of the ore.

Reports from Japan suggest that while steelmakers there may be sympathetic to Iscor's case, an unprecedented slump in the industry may make it unable to cope with any price amendment.

An Iscor spokesman said that their long-term contracts with the Japanese made allowance for price amendments from time to time, and the bargaining team is confident that a favourable adjustment will be achieved.

The bargaining over a lower chrome price is likely to be much harder. A spokesman for the company this week described the initial rounds as having been "ticklish", and with chrome ore and ferrochrome prices having slumped in the last few months the South Africans are faced with a difficult decision.

The Japanese ferroalloy manufacturers claim that they are being hard hit by South Africa "underselling" ferrochrome. The present South African price is about 35 US cents per pound of chromium contained, but, because of freight costs and higher production costs, Japanese manufacturers are producing at about 45 to 46 cents.

However, said one ferro expert, the market has always been a free trade area, and the South Africans are likely to point to the huge capital investment in large modern plants which have given them some of the price supremacy as being good reasons for maintaining present price levels.

The Japanese, on the other hand will use the low demand for chrome as a lever in the forum for a lower ore price and, says a report from Tokyo, are looking for a ceiling on prices which would allow them to be competitive.

Adding fuel to their argument is the vast 100 000 tons of Indian high-grade chrome ore which has been put out for tender for a second time after the producers had refused the first bids as too low.

It is generally anticipated that this tender will receive even lower bids second time around and will push down world prices even more.

As little upward movement in demand is expected until well into 1978 as the major world economies pull back from their recession, this is a strong weapon for the Japanese, according to South African ferrochrome industry executives.

"But," said one, "in view of previous experience the South Africans will resist lower prices with bitter determination."

will become a watch-dog on the working of the arrangements. Thus far nothing has arisen that would reduce the concern. The final section of the Rural Income Distribution Survey raises the same concern.

1. The freehold farms are largely owned by non-citizens. In recent years wealthy Botswana have bought many of these farms with the aid of a steeply differential transfer tax on sales to non-B swana.

SOUTHERN AFRICA LABOUR AND DEVELOPMENT RESEARCH UNIT

SALDRU

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RESEARCH DIVISION,
SCHOOL OF ECONOMICS,
BEATTIE BUILDING,
UNIVERSITY OF CAPE TOWN,
RONDEBOSCH.
7700.

The Secretary,

Dear

Thank you very m of
union membershi iate
your help.

Yours sincerely

DELIA HENDRIE

66

RAPPORT 10/4/78

Sony se nuwe

PERSENTSGEWYS
Suid-Afrika die wêreld se grootste mark word vir videokassetopnemers vir tuisgebruik. Só meen mnr. Susumu Yoshida, senior besturende direkteur van die reuse-Sony Corporation van Japan.

Tydens die bekendstelling in Johannesburg van Sony se nuwe Betamax-videokassetopnemer het mnr. Yoshida drie redes vir dié stelling aangevoer. Die land beskik oor net een televisiekanaal wat ook tweetalig is. Gevolglik sal kan mense 'n kassetopnemer koop om hul TV-vermaak op te helder.

Die aankoop van 'n kassetopnemer bied aan verbruikers die geleentheid om meer waarde uit hul oorspronklike aankoop van 'n TV-stel te verkry. Persentsgewys beskik Suid-Afrika reeds oor die wêreld se grootste tuisrolprentbedryf. Die jongste rolprente is almal op videokassette beskikbaar en huurmaatskappye behoort maklik die verkope van die videokasetopnemers aan te moedig.

HONDA-MOTOR NA S.A.

66

Rapport 21/5/78

DIT is feitlik 'n uitgemaakte saak dat nog 'n Japanse motor binne die afsienbare toekoms in Suid-Afrika vervaardig gaan word. Dit is die Honda, en alles dui daarop dat hierdie motor deur United Car & Diesel, die vervaardiger van Mercedes-Benz in Suid-Afrika, gemonteer gaan word.

Midmacor, 'n Bonuskor-filiaal wat die reg het om Honda-produkte in Suid-Afrika te versprei, is reeds 'n paar jaar lank besig om die moontlikhede van die Honda-motor in Suid-Afrika te ondersoek.

Tot nog toe het Midmacor hoofsaaklik op die bekende Honda-motorfiets gekonsentreer, wat vir hom naam as een van die voorste motorfietse op die Suid-Afrikaanse mark gemaak het.

'n Span uitvoerende beamptes van Honda in Japan het pas 'n uitgebreide besoek aan Suid-Afrika gebring om die plaaslike motorbedryf te bestudeer.

Kompliment

En dat die plaaslike bedryf se vlak van kundigheid 'n groot indruk op die Japanners gemaak het, ly geen twyfel nie. Die leier, mnr. J. Akiyama, het gesê dat daar veral sterk gekyk is na die gehalte van plaaslike vervaardiging.

Hy sê dat Honda 'n baie hoë standaard vereis, en ná hul ondersoek sien hy besliste moontlikhede vir die plaaslike vervaardiging van Honda-motors in die land. „En dit is 'n kompliment vir jul plaaslike motorbedryf," het hy bygevoeg.

Sake-Rapport het verneem dat daar reeds met 'n hele paar motorvervaardigers samesprekinge gevoer is. Daar is nog geen finale besluit geneem nie, maar dit is feitlik 90 persent seker dat Mercedes die een gaan wees wat die Honda hier gaan vervaardig.

Bonuskor

Die plan is glo om die Honda Accord en die kleiner ACTY hier te vervaardig. Dit sal egter 'n jaar of twee duur voordat hierdie motors op die plaaslike mark sal kan verskyn. Daar word ook gemeen dat dit 'n belegging van tussen R15 miljoen en R20 miljoen kan vereis.

Die feit dat Mercedes hierdie Japanse motors onder sy vlerk gaan neem, maak nogal baie sin uit. Volkskas het die beherende belang in Bonuskor en ook 'n taamlike belang in United Car & Diesel. Daar is ook reeds sprake dat Bonuskor uiteindelik Volkskas se arm vir nywerheidsbeleggings gaan word en dan sal hy waarskynlik ook die belang in Mercedes kry.

Mercedes se aanleg het ook genoeg ledige produksievermoë om met gemak sekere aanvullende monteerbedrywighede te kan hanteer. En dan beskik hierdie groep ook oor 'n uitgebreide handelaarsnetwerk.

Mededingend

Die Honda Accord het natuurlik die unieke Honda CVCC-enjin, wat 'n spesiaal ontwerpte verbrandingskamer het wat die skadelike uitlaatgasse tot die minimum beperk. Hierdie enjin voldoen reeds aan meer as al die huidige vereistes om besoedeling te verminder wat nou in Amerika van krag is.

Die prys van nuwe Hondas in Suid-Afrika sal van verskeie faktore afhang.

Mnr. Akiyama is egter bereid om te sê as 'n mens na die pryse van Hondas in ander lande kyk, dit duidelik sal wees dat hierdie motors teen hoogs mededingende pryse verkoop word.

Hy sê dat Honda reeds tien jaar lank na die Suid-Afrikaanse mark kyk, maar dat die hindernis nog altyd die hoë plaaslike inhoud was. Die verandering in die Raad van Handel en Nywerheid se beleid ten opsigte van die bekendstelling van nuwe modelle deur bestaande vervaardigers, het tot die afgelope ondersoek aanleiding gegee.

9/11/79

JOB RESERVATION

Cosmetic change

Minister of Manpower Utilisation Fanie Botha is keeping his word. He has started phasing out the five remaining statutory job reservation orders. But it hasn't been difficult for Botha to fulfil his promise, since the reservations are purely cosmetic, according to many employers and unionists.

On December 1, three of the five orders will be scrapped. Two apply to the motor assembly industry and one to building. According to Jaap Cilliers, Secretary of Manpower Utilisation, "very few people are covered by these determinations, because there have been so many exemptions."

Recently, Gert Beetge, general secretary of the White Building Workers Union, asserted that job reservation in the industry is "meaningless" — the authorities do not enforce the Act and the job reservation order does not effectively protect workers. According to Beetge, the only effective protection comes from industrial agreements, in which there are provisions barring African job advancement.

On the other hand, Basie Pretorius, director of the Witwatersrand Master Builders' Association, says he welcomes the move. "We have been battling for this for a long time. And right now the building industry needs people," he claims. But, he adds, the Black Building Workers Act, which prohibits Africans from doing skilled work in white areas, must be repealed.

Those in the motor industry confirm the determinations afforded white workers little protection and the scrapping will not have much impact on the composition of the labour force. At Ford, because of exemptions granted by the authorities, blacks comprise over 10% of supervisory staff. And a large number, which is climbing, are welders.

The two remaining determinations are determination 27, which covers surveyors, samplers and ventilation officials on the mines, and the bar on black ambulance drivers and traffic police in Cape Town. The Underground Officials Association has agreed to the dropping of determination 27 on condition that blacks filling these jobs can join their union. Cilliers says government is presently negotiating with the union.

During the next parliamentary session, Botha will be meeting with the SA Association of Municipal Employees to discuss the abolition of the Cape Town job bar. According to a spokesman for SAAME, "it has been necessary to get this reservation and it is important, but with the new legislation we may come to an understanding with the Council." Again some exemptions have been granted, watering down the effectiveness of this bar.

Cilliers is quick to point out that workers have not lost all their protection. He says protection will now be provided by the Industrial Court.

954

...irectors' emoluments and pensions.—(1) ... in so far as the information necessary for the purpose is contained in the records of the company or is otherwise available to it, contain particulars showing—

(*a*) the aggregate amount of the directors' emoluments;

(*b*) the aggregate amount of directors' or past directors' pensions; and

continued on page 701

Japanese see SA as reliable coal source

Argus Correspondent
TOKYO. — South Africa has been named by the Japanese Foreign Ministry as a future reliable supplier of steaming coal in the first half of the present decade, providing up to a quarter of this country's imports.

But a Ministry report indicated that Australia would be relied on to meet the bulk of Japan's needs.

The report was part of a series contributed by various government agencies examining the implications of the current world energy situation and how Japan should best cope with future problems.

Japan is now committed to switch a significant part of its energy production from oil to coal, thus reversing the pattern of the past 20 years.

The Foreign Ministry says Japanese companies are already involved in 15 major steam coal development projects in Australia, Canada and the United States, all of which have reached the production stage.

Another 25 projects are under consideration in Australia, Canada, China and New Zealand.

For the present, Japanese officials see South Africa as a significant supplier purely on a straight trading basis — necessary, in fact, while Tokyo continues to ban Japanese investment.

The Foreign Ministry report said: 'Australia, South Africa, the United States and Canada are all sources which can increase their steam coal supplies to Japan.

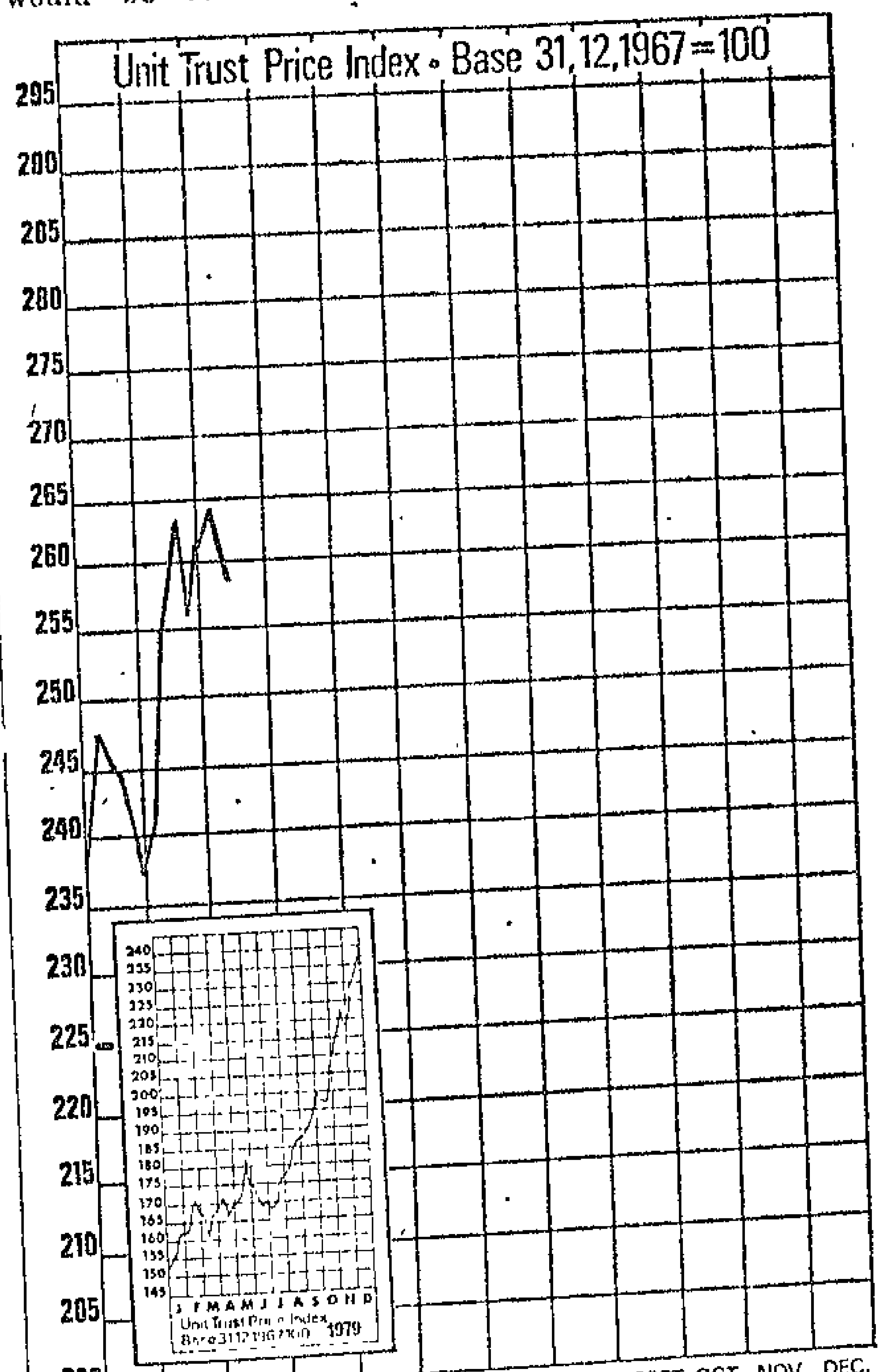
PROMISING

'Australia is judged the most promising because of its Government's pro-export policy and the location of mines near the coast for easy transportation.'

The Ministry estimates that South Africa could be supplying 13-million to 17-million tons of steaming coal annually by 1985 and between 18-million and 22-million by 1990.

This is a sharp increase. In fiscal 1978, when Japan lifted a ban on steaming coal imports, South Africa provided only about 40 000 tons.

Japan's total imports in 1985 are estimated at 54-million to 66-million tons, and in 1990 at 111-million to 129-million tons — about the same level as Japan's current coking coal import level.



THE ARGUS unit trust index fell 6,36 points this week to 258,07.

STU13-9 EXAMINATION RESULTS IN FACULTY ARTS AS AT 29 02 80 PAGE 1

15016 B.A./LL.B. YEAR : 1 15016

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL			
~~154230R~~	~~ARP~~	~~HANS-ERIK~~	~~105105~~	~~LATIN ELEMENTARY~~			~~1~~	~~154230R~~
157795R	GARRETT	MICHAEL CONRAN	117101	POLITICAL SCIENCE I	UP	(59)	1	157795R
~~1535620~~	~~BUCHINSKY~~	~~GLENN BRUCE~~	~~102101~~	~~AFRIKAANS~~	~~UP~~	~~(50)~~	~~1~~	~~1535620~~
156581X	COHEN	PETER DAVID	117101	POLITICAL SCIENCE I	UP	(57)	1	156581X
~~155082F~~	~~COORGO~~	~~INDRAN~~	~~105105~~	~~LATIN ELEMENTARY~~	~~ABS~~		~~1~~	~~155082F~~
157855G	DE KOCK	RODNEY JAMES	105105	LATIN ELEMENTARY	UP	(56)	1	157855G
~~154395W~~	~~DREYER~~	~~NADINE~~	~~117101~~	~~POLITICAL SCIENCE I~~	~~UP~~	~~(59)~~	~~1~~	~~154395W~~
155823Y	FISHER	MICHAEL ALEX	102101	AFRIKAANS	F		1	155823Y
~~150196G~~	~~GIHWALA~~	~~DEREEKA~~	~~117101~~	~~POLITICAL SCIENCE I~~	~~UP~~	~~(56)~~	~~1~~	~~150196G~~
158314F	GORDON	STEPHEN MICHAEL	105104	LATIN I	F	(31)	1	158314F
~~156563L~~	~~HARDCASTLE~~	~~JUSTIN FRANK~~	~~105105~~	~~LATIN ELEMENTARY~~	~~UP~~	~~(50)~~	~~1~~	~~156563L~~
038176W	HARRIES	ROGER EZRA PAUL	107101	ENGLISH I (PRE-1980)	2-	(64)	1	038176W
~~115449N~~	~~HENDRICKS~~	~~ROBIN ARTHUR JUSTIN~~	~~105105~~	~~LATIN ELEMENTARY~~	~~ABS~~		~~1~~	~~115449N~~
159727R	KANE-BERMAN	DIANA LOUISE STUART	117101	POLITICAL SCIENCE I	UP	(55)	1	159727R
~~162529M~~	~~KEAY~~	~~EDWARD WALLACE~~	~~117101~~	~~POLITICAL SCIENCE I~~	~~F~~	~~(47)~~	~~7~~	~~162529M~~
161080M	LEAIN	MERVYN BERNARD CHARLES	105105	LATIN ELEMENTARY	ABS		1	161080M
~~157638W~~	~~MAHATEY~~	~~NAZEEK~~	~~105105~~	~~LATIN ELEMENTARY~~	~~UP~~	~~(51)~~	~~1~~	~~157638W~~
155155X	MCQUEEN	STEPHEN	105105	LATIN ELEMENTARY	ABS		1	155155X
~~156583Z~~	~~MEIRING~~	~~WAYNE BRADLEY~~	~~102101~~	~~AFRIKAANS~~	~~F~~		~~1~~	~~156583Z~~
153752X	MORRIS	WAYNE MILES LUTHER	102101	AFRIKAANS	UP	(50)	1	153752X
~~158337F~~	~~NIEMAN~~	~~ILSE~~	~~603202~~	~~ROMAN LAW & JURISPRUDENCE IF~~	~~UP~~	~~(49)~~	~~1~~	~~158337F~~
154745B	POTTS	MOHAMED FAIQ	105104	LATIN I	F	(34)	1	154745B
~~156056B~~	~~RUSIN~~	~~JONATHAN GRANT~~			~~UP~~	~~(50)~~	~~1~~	~~156056B~~
					UP	(50)	1	154272M
					~~UP~~	~~(50)~~	~~1~~	~~154933G~~

UCT

Manganese: Japan uses SA as test

18/3/80 66

Argus Correspondent

TOKYO. — South Africa is being used as a test case by Japanese companies in extremely difficult negotiations over ferruginous manganese ore deliveries this year.

Price negotiations are now underway, but there are a number of complicating factors holding up a settlement.

First, demand for imported ferruginous manganese ore has been dwindling sharply and the balance has been lost between supply and demand.

Steel mills have been making great efforts to reduce consumption with new techniques and now carry ore stocks of about 500 000 tons — approximately six months' supply.

DIFFICULT

The Japanese, therefore, urge a price hike of no more than four or five percent. But they admit that this level will be extremely difficult to maintain in view of a 14,5 percent rise in manganese ore prices and a 15 to 20 percent increase evident in newly-negotiated iron ore contracts.

The Japanese side is apparently trying to deal with South Africa first in the hope of setting a precedent to hold prices down when it negotiates with other suppliers like China and India.

TABEL 2.2: POSITIEWE/ ... SKUIWINGS AS PERSEN-
TASIE VAN ... PER STREEK EN SEKTOR:
... 75

Metropolitaanse gebied / Sektor	Ka...	...th	41 Durban/ Pinetown	42 P.W.V.
Landbou			8,33	- 8,33
Mynbou	- ...		- 0,55	-78,35
Fabriekswese en Konstruksie	-3...		1,91	22,90
Handel	-1...		9,85	47,00
Vervoer	-1...		31,70	44,76
Finansiering	- ...		16,43	82,33
Gemeenskapsdienste	-2...		15,04	52,30
Algemene Owerheidsdienste	5...		-11,82	17,40
Totaal	-1...		12,25	- 1,55
Samestellings effekverskuiwing	1...		11,90	66,79
Totale Netto Verskuiwing	- ...		17,23	44,64

S A firms for Taiwan project

NM 3|4|80 (66)

JOHANNESBURG—Executives of leading South African industrial and and engineering companies are leaving in mid-April to take part in a special Safto business development project in Taiwan.

The group will meet prominent Chinese businessmen and senior officials from Government organisations.

The aim of the visit is to follow up preliminary in-market appraisals which have identified specific long-term export and joint venture opportunities in Taiwan in the industrial, engineering, construction, electrical, metals and related fields.

Taking part

South African companies taking part in the project include Scaw Metals, Babcock & Wilcox, LTA, Ical, Agriplas, Insulation Products and Barlows Heavy Engineering as well as Industrial Development Corporation and Credit Guarantee Insurance Corporation.

The group leaves South Africa on 11 April and returns on 21 April.

Economic links between South Africa and Taiwan, which have been fast expanding in the last five years, have been reinforced by the recent visit to this country of Taiwan's Prime Minister, and the announcement of a visit to Taipei by the South African Prime Minister later in the year. (Sapa)

Die proporsionele 1... ...e aktiwiteitssektore, en gevolglik die totaa... ...e Kaapse metropolitaanse gebiede betref, dui... ...voorgaande kommentaar oor die ekonomiese ... ...il Wes-Kaapland, die omvang van die proble... ...erbeklemtoon was indien slegs gelet wo... ...van die 1972 Sensus van Fabriekswese.

Die streekstotaal syfers van die 1976 Fabriekswese Sensus (wat goedgunstiglik tussentyds deur die Departement van Statistiek aan die BEO beskikbaar gestel was) word ontleed in tabel 2.3.

Die verhoudelike groei-persentasies in daardie tabel dui op volgehoue voortsetting van die relatiewe agterstand in ekonomiese groei in die Wes-Kaap; aldus vir elke een persent toename op nasionale vlak (gemiddeld vir die R.S.A.),

Toyota denies firing all workers

RDM 31/1/80

66

Labour Reporter

THE Toyota Marketing Company last night claimed that only half its workforce had been fired after Tuesday's strike at the company.

The company's managing director, Mr Colin Adcock, also denied the strike had been caused by worker protests at a company instruction that they meet work quotas or be fired.

He confirmed, however, that a group of workers, whom he claimed had been on a "go slow" strike, had been told that they would have to meet their quotas or "face dismissal".

Earlier this week, Toyota Marketing's Sandton warehouse was hit by its second strike.

Both strikes centred around company instructions that workers meet work quotas or face being fired

Worker sources told the Rand Daily Mail that all 200 of the company's workers had been fired without warning after stopping work in protest at the quota ruling

The plant has closed until Monday

Mr Adcock told Sapa last night that only half the men — about 95 — had been involved in the strike and discharged. He said the company's new work quotas had been negotiated through its liaison committee and workers approved them.

He claimed that "a certain group of workers" had started a "go-slow" They had been told to meet their quotas or be fired

Workers allege "planned" sackings

Warehouse workers of the strike-hit Toyota Marketing Company in [illegible] believe some of their dismissals were "planned" by management.

More than 100 were sacked on Tuesday after downing tools in protest against the alleged [illegible] tion of unreasonable [illegible] quotas on the packing department. [illegible] management claims the dismissals were the outcome of a two-week "go-slow" by workers.

In a statement released yesterday by the Metal and Allied Workers Union, [illegible] the company had planned [illegible] to cut down on the packing department.

[illegible] had reported [illegible] intending to [illegible] and [illegible]

[illegible]

[illegible]

Toyota, workers reach agreement

STAR 3/11/80 66

A settlement of the dispute at the Toyota Marketing Company in Sandton was reached today, with the company agreeing to reinstate all dismissed workers and to recognise their trade union.

This represents a major breakthrough for the Fosatu-affiliated Metal and Allied Workers' Union (MAWU) which has been embroiled in a bitter recognition struggle with Toyota Marketing since the beginning of 1978.

Agreement was reached today after a meeting between management and a negotiating team representing both MAWU and Fosatu.

It provided for:

- The reinstatement of more than 100 warehouse workers dismissed after a stoppage last week. The production targets which sparked the strike have been acknowledged as "reasonable" by the workers, Toyota managing director Mr Colin Adcock said, and would remain in force.
- The recognition of MAWU by the company, and the granting of "all facilities needed to operate within the company." These include stop-order facilities and organising access to company premises.
- A new system of communication, whereby union members — comprising at least half the warehouse workforce, according to a Fosatu spokesman — will be represented by the union, and other workers by a reconstituted liaison committee.

The Fosatu spokesman welcomed the agreement, and called on other motor components manufacturers to follow Toyota's lead in recognising representative workers' bodies.

Star 6/11/80

(66)

Violence at Datsun plant

Own Correspondent

Police were called to the large Datsun Nissan factory at Rosslyn, near Pretoria, today when violence flared after black workers had downed tools.

The entire factory shut down for the day when white workers were told to go home after the strike by black workers in the car assembly section spread to other parts of the works.

About 30 policemen with dogs, shotguns, rifles and teargas were rushed to the factory after Datsun reported the strike.

Officials from Datsun were not available, but it was believed that the strike started over a misunderstanding over the amount which could be withdrawn from [illegible] savings scheme.

About [illegible] black workers gathered at the main gate and held discussions with senior management officials while the police stood about 300 m away.

The situation was calm and police took no action.

Police called in after 'go home' call

Cape Times 7/11/80

PRETORIA. — Police were called to the Datsun-Nissan factory at Rosslyn yesterday when violence flared after black workers had downed tools. The entire factory was shut down for the day when white workers were told to go home after the strike by black workers in the car-assembly section spread to other parts of the works.

The managing director of Datsun, Mr Loot Muller, said that the work stoppage was a result of a misunderstanding over the annual payout of the firm's savings scheme. Some workers had thought that they would be paid out at 6 am, and workers were asked to fill in forms stating how much of their savings they wished to draw

A rumour started that they would not get paid, and workers demanded their money immediately Mr Muller addressed the workers and said that they would be paid their savings as soon as the banks could arrange it

According to Mr Muller, there were a few isolated instances of violence and a few cars were damaged, mainly by workers trying to see and hear him better

He said that little damage had been done to the factory, and production was expectd to be back to normal today — Sapa

Datsun factory still closed

STAR 7/11/80 (66) (192)

Own Correspondent

The giant Datsun factory in Pretoria remained closed today with police keeping a watch on the situation.

Thousands of the black workers who went on strike yesterday streamed back earlier today but there were no incidents, a police spokesman said.

Mr Loot Muller, managing director of Datsun, confirmed that the workers had gathered at the factory but that they were not working.

Mr Muller said about 3 000 workers received their savings — part of the cause of the strike — "in full plus interest" earlier today. He said the savings problem was a misunderstanding on the part of the employees.

Mr Muller also confirmed that Datsun had taken over the Fiat factory across the street, but denied claims that the transaction had anything to do with arrangements about the payouts of the workers' savings.

Some workers claimed that Datsun would not pay out all their savings because their money had been used to buy the Fiat factory.

Mr Muller said all the workers were expected back at the factory on Monday.

STAR 10/11/80

Workers end strike

66

Own Correspondent

Thousands of workers at the Datsun factory in Rosslyn, Pretoria, were back at their jobs today.

"All is back to normal," said Mr Loot Muller, managing director of Datsun.

The giant plant closed down for two days last week following a strike over the pay-out of their savings by the 4 000 black workers.

Honda cars for SA market

17/11/80 STAR

Own Correspondent

TOKYO — Honda Motor Company's production licensing agreement with United Car and Diesel Distributor (UCDD) announced this week may only be the precursor of much larger things, auto industry sources here predict.

Japan's number three carmaker will formally sign the agreement next month allowing the South African affiliate of West Germany's Daimler Benz to produce 12 000 Honda cars a year.

Production will start in the second half of 1982.

The passenger car to be produced by UCDD will have Honda-supplied engines in the 1,3—1,5 litre range. The Japanese company will also provide transmissions, moulds and other principal parts and components, a company spokesman said.

The actual model to be produced has not yet been announced but it is expected to be an advanced model of either Honda's highly successful frontwheel drive Civic or the Ballade, which will also be produced under licence by British Leyland under a different name.

UCDD already markets Honda motorcycles in South Africa (currently running at about 17 000 a year) and has also been selling Honda engines.

Industry sources believe that the South African deal could eventually develop into a full-fledged tie-up between Honda and Daimler-Benz.

They point out that the produce lineup of the two companies is entirely complementary and that the West German company has production bases in a number of countries where Honda would like to get a foothold: Nigeria, Iran, Brazil, etc.

Section B

The following items are submitted for information.

9. BROADENING OF THE B.COM. CURRICULUM

At its meeting of 24 July 1980 the Board approved, in principle, the broadening of the B.Com. to include alongside the Accounting major, the optional second majors of Economics III, Statistics III and Mathematics III, and also to include certain B.Bus.Sc. courses. Matters of detail were referred to the Dean's Advisory Committee to be resolved. This committee has made minor modifications to the curricula considered on 24 July 1980. The Academic Planning Committee considered and approved the proposal as a whole at its meeting on 8 September 1980. Senate and Council approval are awaited.

Attached is a curriculum schedule incorporating all the changes agreed upon.

(See page 30)

A few comments on this table follow :

- The additional stream (No. 3) was introduced at the request of the Department of Economics, to enable students to take the Accounting and Economics majors with a strong quantitative bias.

- The proposed course in Finance is being offered in the third year under the title of Managerial Finance. Third-year CTA students will tak- ... ntials of Managerial Fin...

- The final-year ... se entitled Integrated Top...

- Thus what was ... nd II has been integrated ...

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- The courses Man... Managerial Finance will no... een agreed that a working ... nd Accounting staff will hold ... ecommendations on the teaching ... ed at this stage, that it ... e teaching input from both ... t of Accounting will take overa... .

Threats to families of non-strikers

STAR 8/1/81 (152) (192) (66) (1409)

By Iain Macdonald

The families of the 130 employees who stayed at work at the Toyota Marketing plant in Sandton after a strike there earlier this week, have been threatened according to Toyota's managing director Mr Colin Adcock.

Mr Adcock said today that last night all the remaining black workers at the plant were being taken home by bus when the buses were stopped and boarded by several men.

"These men threatened to attack the families of the workers tonight if they did not stop work today.

"We established that every single one of the men had been threatened.

"The Metal and Allied Workers' Union, and Fosatu, investigated and were satisfied that there was intimidation, and Fosatu is trying to establish who the men who threatened the workers were.

"We have decided that the men will be going home earlier today and will come in tomorrow if nothing happens tonight," he said.

Earlier this week 132 striking workers were fired at the plant after they had refused to go back to work.

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in :-

Sixth Year

P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize
For the best woman student in third year.

Miss C Fredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.

S A Read

Osbourn Prize
For the best work in fourth

Three Toyota strikers freed

STAR 27/1/81

By Drew Forrest

Three more trade-unionists from the strike-bound Toyota Marketing Company in Sandton were arrested at the weekend and released yesterday without charge.

This has aroused the anger of the Federation of South African Trade Unions (Fosatu).

Two shop-stewards, also members of the Fosatu-affiliated Metal and Allied Workers Union, were held for questioning by the security police after being arrested last week.

30 fired by Pretoria firm

STAR 27/1/81

About 30 workers at the Angus-Hawken Fluid Seal Engineering Company in Rosslyn outside Pretoria were dismissed yesterday after a wage dispute with management.

A spokesman for the National Union of Motor Assembly and Rubber Workers of South Africa — a non-racial union affiliated to Fosatu — said the workers had been sacked after refusing to meet conditions set by management for their re-employment.

Another 270 workers had been fired after a January 16 strike.

RDM 16/3/81
(66)

Suzuki platinum from Rustenburg

By ADAM PAYNE

THE major platinum contract with a motor-car manufacturer disclosed in Rustenburg's annual report is with Suzuki of Japan

The contract is important as it is the first major order for car catalysts to be placed by a Japanese manufacturer

It starts next month and will require the shipment of a progressively increasing number of platinum oxidation catalysts over three years made by Johnson Matthey Chemicals in Britain, according to the London Metal Bulletin

The platinum and rhodium used in the catalysts will be from Rustenburg platinum mines.

The first units are intended for 1982 model cars

Catalysts now form the biggest use for platinum, although demand may be hit by recycling of metal from reclaimed catalytic converters and by new technologies requiring less metal.

Suzuki is one of the smaller Japanese car producers, with a 1980 output of nearly 90 000 vehicles It is expected that in the first 12 months of the contract, Suzuki will monitor the effectiveness of the catalysts in Japanese conditions

One unofficial estimate of the precious metals content of the catalysts suggests that in the initial stage a total of between 20 kg and 30 kg will be used

Car emission levels in both Japan and the US have become increasingly stringent since the mid-1970s Japan has the strictest regulations in the world and Japanese car manufacturers are being forced to seek new means to meet the requirements.

Many producers there were initially able to meet the standards through the use of platinum pellets, but as controls became more severe this process became increasingly costly.

Johnson Matthey claims that its use of ceramic monoliths has technical advantages in size and cost effectiveness.

Car emission catalysts in the US have to meet two requirements They have to remain operative over 50 000 miles and be effective in removing all three noxious substances — carbon monoxide, hydrocarbons and nitrogen oxides

Some US companies introduced the rhodium/platinum three-way converter in their 1981 models and this is expected to become more widespread

One in every three owners of a Ford car in the US is now driving with an exhaust employing a Johnson Matthey platinum catalyst

The JM group is also in its third profitable year supplying a specialised platinum chemical compound for use in the cancer-treating drug Cisplatin

Its platinum expertise is going jointly into developing commercial application of a fuel cell, for electric power generation, with the American group United Technologies

STAR
28/3/81
(a)

Toyota expansion

TOKYO — Japan's largest car manufacturer, will expand production in South Africa from next month to meet soaring consumer demand there, a Toyota spokesman said today.

Under a production efficiency buildup plan, Toyota will increase to 450 units its daily assembly of compact passenger cars, vans and jeeps from the current production of 220 to 320 units a day, the spokesman said.

Durable, reliable, rugged

30/3/81

YOU'LL be able to see Leyland's Landtrain at the Rand Show. It's a vehicle which was designed for Middle East, African, Latin American and Far East markets.

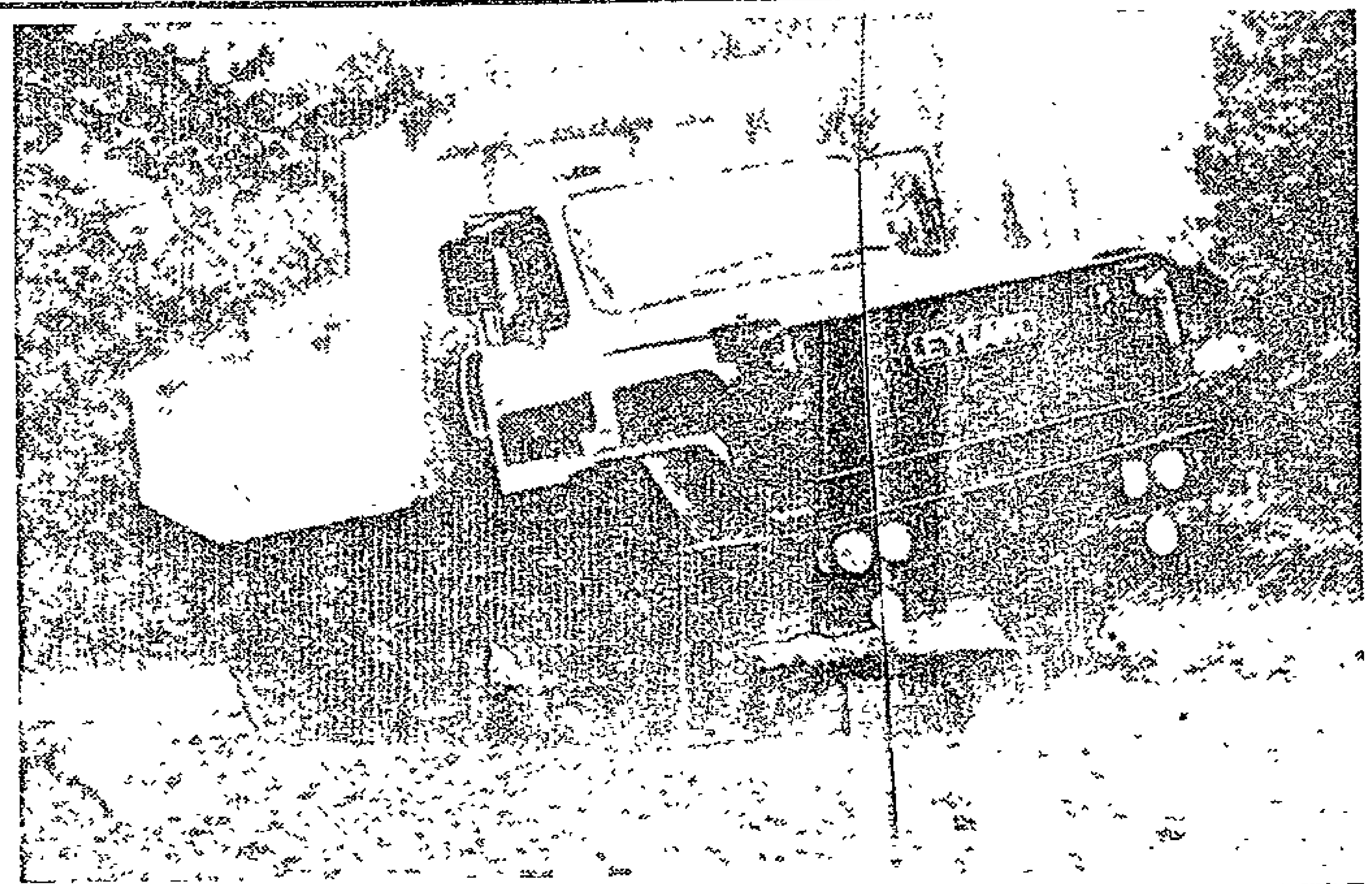
Featuring rugged bonneted truck models, the range offers "European" standards of comfort and ease of handling for the driver coupled with the essential features of high reliability and durability and ease of servicing and maintenance. Landtrain covers eight basic models with gross weights ranging from 19 tons to 65 tons. The models include both two and three axle derivatives for rigid vehicle (haulage/tipper), drawbar and articulated vehicle applications.

The high comfort cab is derived from that fitted to the successful Leyland "G" cab truck range. It is tastefully trimmed and equipped to a high standard.

Other features include the frame which is based on that fitted to the Scammell Contractor, with a full paint finish to minimise corrosion, and the fitting of many additional items such as radiator stone guard, wing mounted oil bath air cleaner and full width brush guard as standard.

Coming to South Africa soon is Leyland's Roadtrain, an exciting range which was the most significant post-war development in commercial vehicle design from any European manufacturer.

It was also the first all-new model from any part of British Leyland since the reorganisation of the company by Sir Michael Edwardes. These models are the most tried and tested trucks ever to be introduced



Leyland's Landtrain which has been designed and built to handle load factors that are 20% greater than those nominally quoted on the vehicle plate.

Economy, reliability, style, driver comfort ... these are just some of the elements that go into vehicle purchase decision. And Roadtrain adequately satisfies every one of these requirements.

The cab offers saloon car comfort, low in-cab noise levels, a bright, clean working environment and, above all, safety in the event of collision.

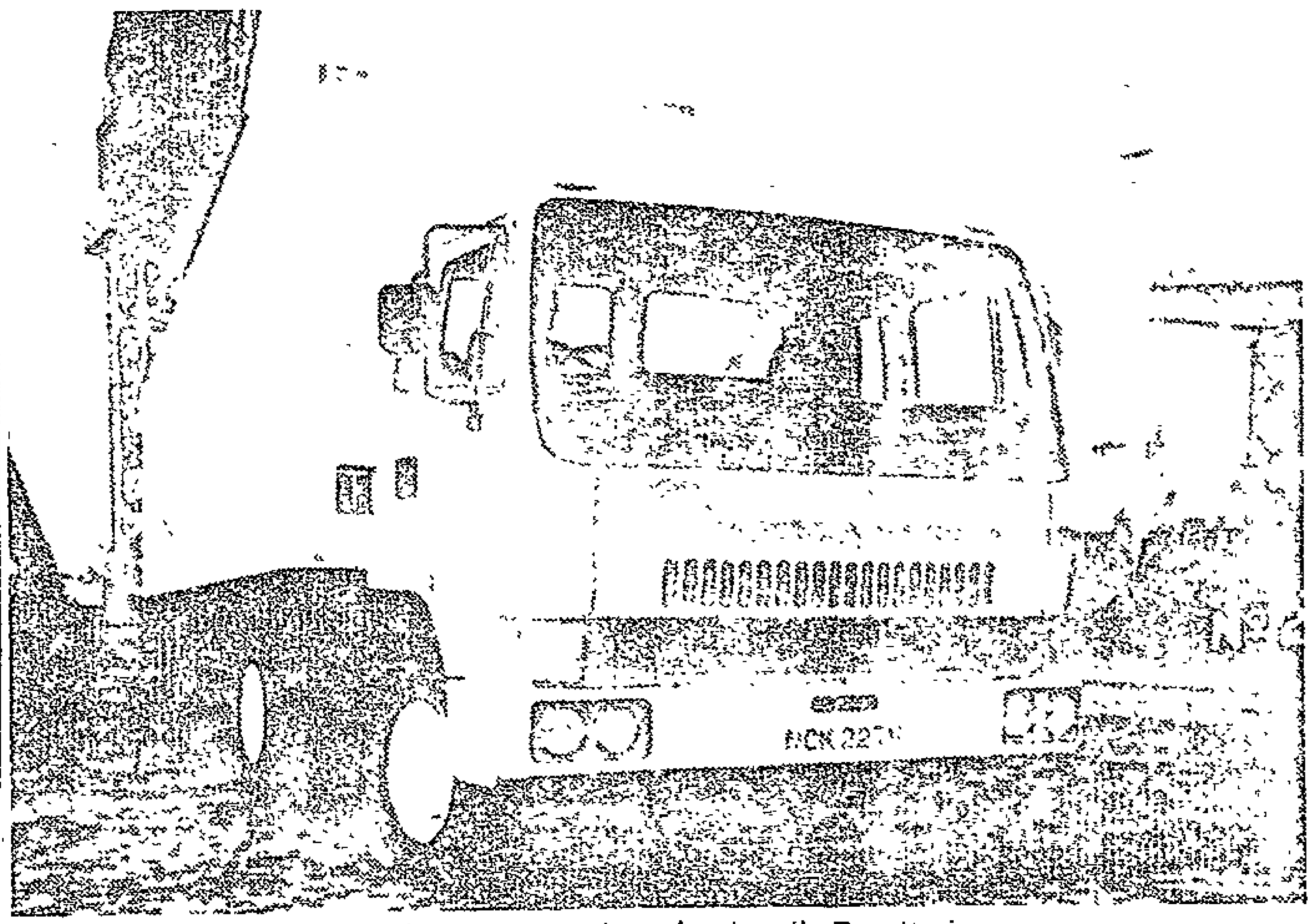
Vision from the cab is excellent both to the front and rear. Seating positions are variable in every direction to take account of all shapes and sizes of drivers and the steering column rake is adjustable to meet each individual driver's preference.

Instrumentation is comprehensive too and is an aspect of the cab design which has been greatly influenced by Leyland "human factors" research activities. Controls and instruments are located according to the frequency with which they are likely to be used and can be scanned or reached without effort from the normal driving position. This obviously helps to reduce driver fatigue and improves safety.

Access to and exit from the cab are made easy by wide well-spaced steps and conveniently placed grab rails. The steps can be seen from the cab as the driver descends and are cab lit to ensure his safety even at night.

There is ample storage space in the cab for the driver's personal belongings.

The man in the street has not been forgotten either. A refreshing approach to styling has given Roadtrain a less intimidating appearance than is usually the case with big trucks.



A very important truck . . . Leyland's Roadtrain.

Mr Dave Beck, Leyland South Africa's new managing director, who takes over tomorrow. He succeeds Mr Leslie Wharton, who has been appointed managing director of Leyland Parts, a division of Leyland Vehicles Limited Britain. A qualified accountant, Mr Beck has been employed by BL Limited for 10 years, during which time he has held both finance and general management positions within BL's international operations and its Special Projects Group. Mr Beck joined Leyland South Africa as financial controller in 1978 and was appointed finance director in May 1979.

Production to be increased

RDM 30/3/81 66

SALES of Nissan diesel heavy vehicles increased in 1980 by 778 units over those sold in the previous year.

This puts Nissan diesels firmly into third position overall among manufacturers of heavy trucks, a significant achievement in view of the fact that the company is only represented in three segments of the total heavy vehicle market — 10 000 - 12 500 kg, 12 500 - 15 000 and over 20 000 kg.

Sales have also increased by a substantial 400% in volume since 1973.

In the 10 000 - 12 500 kg segment the company sold 1 164 units, 278 more than in 1979, an increase of 31,4% over 1979's volume. Nissan is in number one position in this segment for the year. This improved performance is largely attributable to the reliability of the vehicles together with the availability of parts and the high rate of standardisation which assists the operator with speedy service. Nissan heavy vehicles in this segment are the UG780, CK10 and the DU780, a freight carrier, bus and tipper respectively.

In the 12 500 - 15 000 kg segment, the company improved its volume by 53,8%, in spite of the fact that the 1980 market went over the top with the company battling to keep pace with demand. Increased sales in this segment are due largely to the increasing popularity of the CB20ND bus which has brought in a number of large orders. In this segment, too, the company's market share improved during the year putting it in third place among all manufacturers.

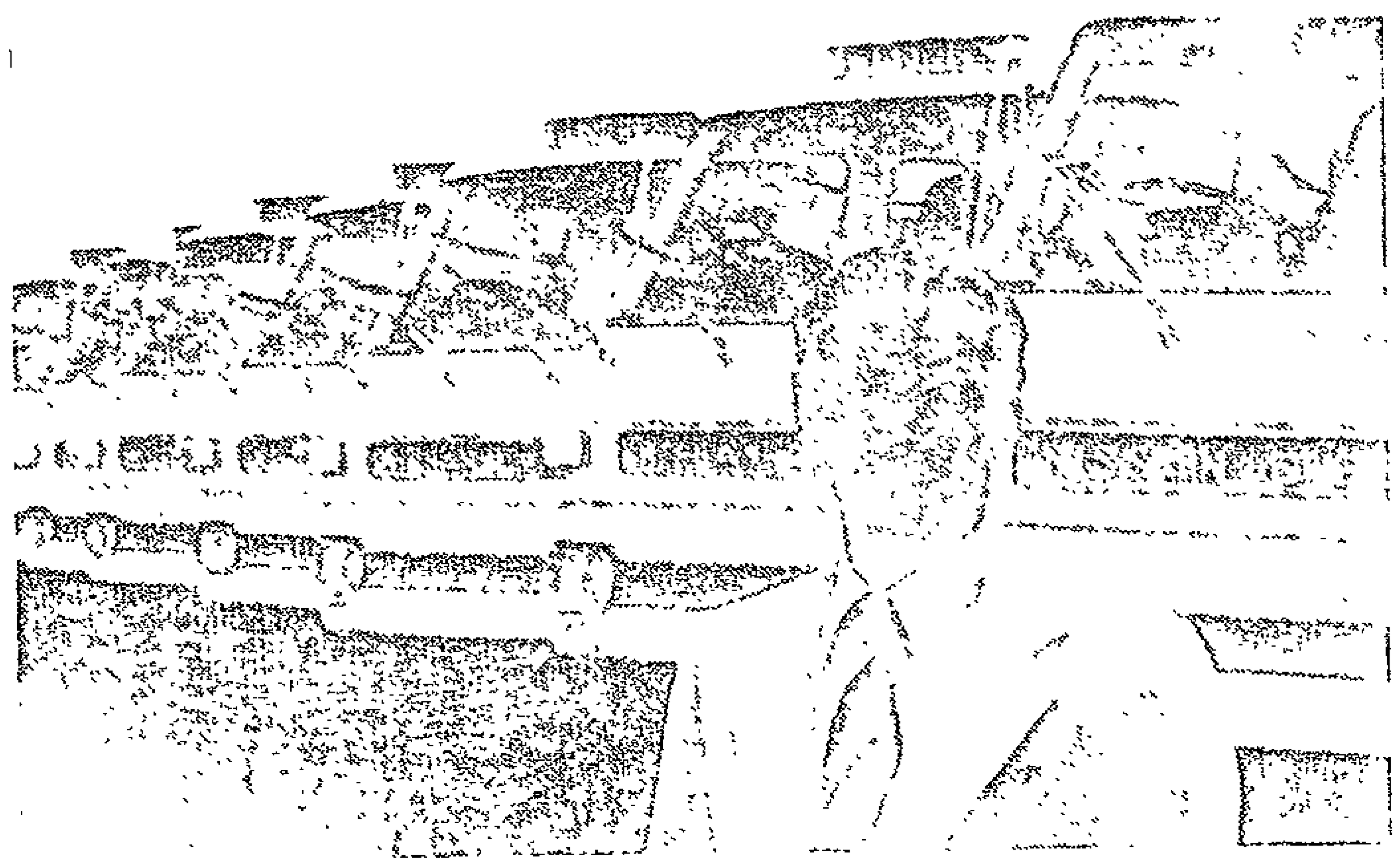
An increase of similar size brought Nissan's 20 000 plus kg vehicles up to 641 units for the year, an increase of 229 units over 1979. The best seller in this category was the Nissan CK41HD and CK41P.

Commenting on this substantial increase in sales, Mr Brian O'Connor Wegner, marketing director of Datsun-Nissan, said that proof of Datsun-Nissan's confidence in the medium- and long-term prospects of the heavy vehicle market was clearly indicated in the company's recent acquisition of the Fiat plant in Rosslyn.

"This new facility will increase our building capacity for our heavy vehicle range to a significant extent," he said. "During the course of 1981, we expect our production capacity to double its maximum in 1979, bringing us up to about 400 heavy vehicles a month.

"Our increase in sales is only partly due to the overall growth of the heavy vehicle market as we have improved our penetration of that market in those segments where we are represented."

Mr Wegner said that Nissan heavy vehicles were finding increasing acceptance among operators and big fleet owners and the company was optimistic about its anticipated growth in 1981.



Mr Brian O'Connor Wegner, marketing director of Datsun-Nissan, with some of the Nissan diesel heavy vehicles that have contributed to an increase of 778 units in 1980 over those sold in 1979.

Toyota to spend R50m

(66) ~~102~~ RDM 31/3/81

By ALEC HOGG

TOYOTA South Africa, last year's top motor-vehicle seller, will spend R50-million in the next three years to remain competitive, says the chairman, Dr Albert Wessels, in the report for the year to December 31.

The money will be used to expand office and warehouse facilities, acquire model-related tooling to meet the local content programme and to update manufacturing facilities.

Discussing the group's dividend policy, Dr Wessels says this year's large dividend increase — more than treble the previous year's — and the high dividend cover (seven times) should not be regarded as normal.

Toyota expects to maintain a high growth rate and will have to reinvest funds for the expansion needed for systematic growth.

Seven times cover is not normal, he says, and future dividends "will have to be considered each year in accordance with the needs of the company and the economic expectations of the country".

Dr Wessels adds however: "Shareholders can be assured that the board will protect their interests and strive to maintain systematic growth in dividend rates."

He expects the group to continue enjoying satisfactory profitability in 1981 because of the quality of the product, sufficient production capacity, the dealer network and competent management.

Africa, we have devoted very inadequate time and attention to the development of a strategy of our own that is in line with the needs of local cultural and value systems. We accepted the unfortunate view that what is good for Europe and America, is good enough for us in Africa. This approach, of course, led to an energetic expansion of our services while we struggled in a heroic fashion to bring these services in line with norms and standards as we knew them from travelling abroad. This approach may be - even if only partly - recommendable and applicable when it comes to those on the Westernised end of the scale in the dichotomy of acculturation, but what does it offer to those who by circumstance or deliberation find themselves at the other end of the scale?

Acceptance of the medical model in mental health services leads us inadvertently to accept a body-mind dichotomy. This dichotomy is already apparent in the meaning of the word disease. The medical doctor's domain is the body, while the mental health team is expected to see to the 'mind problems' of people. This fragmentation is even carried further into the mental health field, where the psychiatrist, the social worker and the pastoral counsellor, all attend to certain needs of the same patient, while they still struggle to find each other so as to be able to work together as an integrated team.

Another innate question-mark in our present system is that the medical model carries with it a rigorous tradition of subjection to proven scientific method. This leads to a negative attitude towards lay workers and especially towards traditional healers, who try to move into the area which medical science claims as its monopoly. Of course, we know of the limitation and the disregard of the traditional medicine systems for the scientific methods and research with its unrelenting

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disciplinary codes which it imposes on the art of healing. However we have to admit that when it comes to health promotion, traditional systems have a lot to offer - under the right guidance and subject to the establishment of dialogue. When it comes to psychiatry and especially to psychotherapy, traditional practitioners are the only ones that can reach that large section of our population where those with an
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When the patient approaches the psychiatrist with his complaint, we have less to offer medically and almost nothing to offer psychotherapeutically to the traditional patient. Taking this into account, we can predict that to the traditional patient the non-medical members of the mental health team must appear as a group of impotent and powerless workers.

. / ...

STAR 1/4/81 (66)

Toyota expands

Toyota South Africa is to expand its offices and warehouses as part of a R50-million investment programme over the next three years, the chairman, Dr A J Wessels, says in his annual review.

The expansion of buildings will accommodate the group's growing activities and enable it to remain competitive.

The money will also be spent on buying model-related tooling to meet the local content programme for planned new and replacement models.

Referring to the wildcat strikes at the Sandton plant which resulted in the replacement of 129 employees, Dr Wessels says Toyota will resist unauthorised interference until unions of black workers are properly organised and registered and gain experience in negotiating conditions of employment.

Dr Wessels says the group is ready to meet the projected demand for vehicles this year which is expected to be slightly up on last year.

Toyota top of the list

DP 14/4/81

PORT ELIZABETH — The National Association of Automobile Manufacturers of South Africa (Naamsa) has reported higher sales of cars and commercial vehicles in March than in March last year.

Car sales totalled 25 993 compared with 21 118 in March last year, and commercial vehicles sales totalled 12 828 compared with 10 140 in March last year.

Total car sales for the first three months of this year were 70 672 compared with 59 441 in the 1980 January to March period.

Total commercial vehicles sales in the first three months of this year were 33 776 compared with 28 880 in the 1980 first quarter.

Sigma topped the lost for car sales in March with a total of 5 086. Volkswagen was second with 4 838 and third was Toyota with 3 892.

Toyota headed the list for commercial vehicle sales with 4 279, followed by Datsun with 2 800 and General Motors were third with 1 472.

In combined car and commercial vehicle sales, Toyota was top with 8 171, Sigma second with 6 030 and Datsun third with 5 373.

However, Volkswagen has maintained its position as the top-selling car manufacturer for the first quarter of 1981.

The March car sales gave Volkswagen a total of 14 293 in the first three months of the year — 181 ahead of its nearest competitor.

Toyota's sales in March were an all-time record for a South African manufacturer and Toyota's share of the vehicle market was an unprecedented 21,04 per cent. One in every five vehicles sold in March was a Toyota.

The March figures mean that Toyota — the top vehicle manufacturer and seller in 1980 — is drawing even further ahead in the sales race with its rivals.

In the first three months of this year Toyota has sold 19 637 cars, bakkies and heavy trucks followed by Sigma (16 827), Volkswagen (16 009), Ford (14 224) and Datsun (13 952). — SAPA-DDR.

Toyota aims to capture 20 pc of SA market

(192) (30) (66) Argus 8/5/81

TOYOTA expects to capture 20 percent of total car and commercial vehicle sales in South Africa this year.

This is the forecast of Mr Colin Adcock, managing director, who thinks the industry will sell well over 400 000 vehicles this year.

In the first quarter, for the first time, Toyota SA became the country's biggest manufacturer, taking 17,5 percent of the South African motor market.

For several years it has dominated the commercial market and now commands a third of that field.

500 000TH

'Nowhere else in the world has one manufacturer achieved that percentage,' Mr Adcock told The Argus at a function in Durban to mark the production this week, of the 500 000th vehicle by Motor Assemblies, an achievement reached in 20 years.

He said total sales of new vehicles should be well over 400 000 this year with Toyota contributing between 80 000 and 90 000.

Toyota aimed to make 96 000 a year — or 400 a day when it completed its R47-million expansion programme.

10 A MONTH

Two decades ago, when the business was started by Dr Albert Wessels as a one-man operation, only 10 vehicles a month were sold. Six years from now the millionth vehicle will roll off the production line, Dr Wessels forecast.

'I cannot tell you whether it will be in January or December but it will be in 1987,' he said.

Traditionally, a franchise holder tended to have the same position in the local market as its source company enjoyed in its domestic market and as its exports were to the rest of the world.

Toyota for many years had been the leader in its domestic market and the largest exporter.

Today, Toyota produced 4-million vehicles a year, although when it started in 1960 its output was less than 200 000.

'We are a bunch of local boys who have to compete and hold our own against the large international companies,' said Dr Wessels.

'We have to prove our ability to match power and skills of these industrial giants and beat them at their own game where they have experience and unlimited financial strength.'

● A key to Toyota's success was its labour force in Japan, said Mr I Sato, the company's general manager for Africa. 'Car workers are all high school graduates and no foreigners are employed.'

BUSINESS

SA now in Toyota's top six

66

STAR 12/6/81

South Africa vies with West Germany as Toyota's fifth best foreign market, says Mr I Sato, general manager of the company's Africa division.

Top of the list is the United States followed by Saudi Arabia, Australia and Indonesia.

Mr Sato says that the three Cs — consideration, co-operation and co-ordination — which form part of Toyota's philosophy have contributed to its success as the world's second largest motor company.

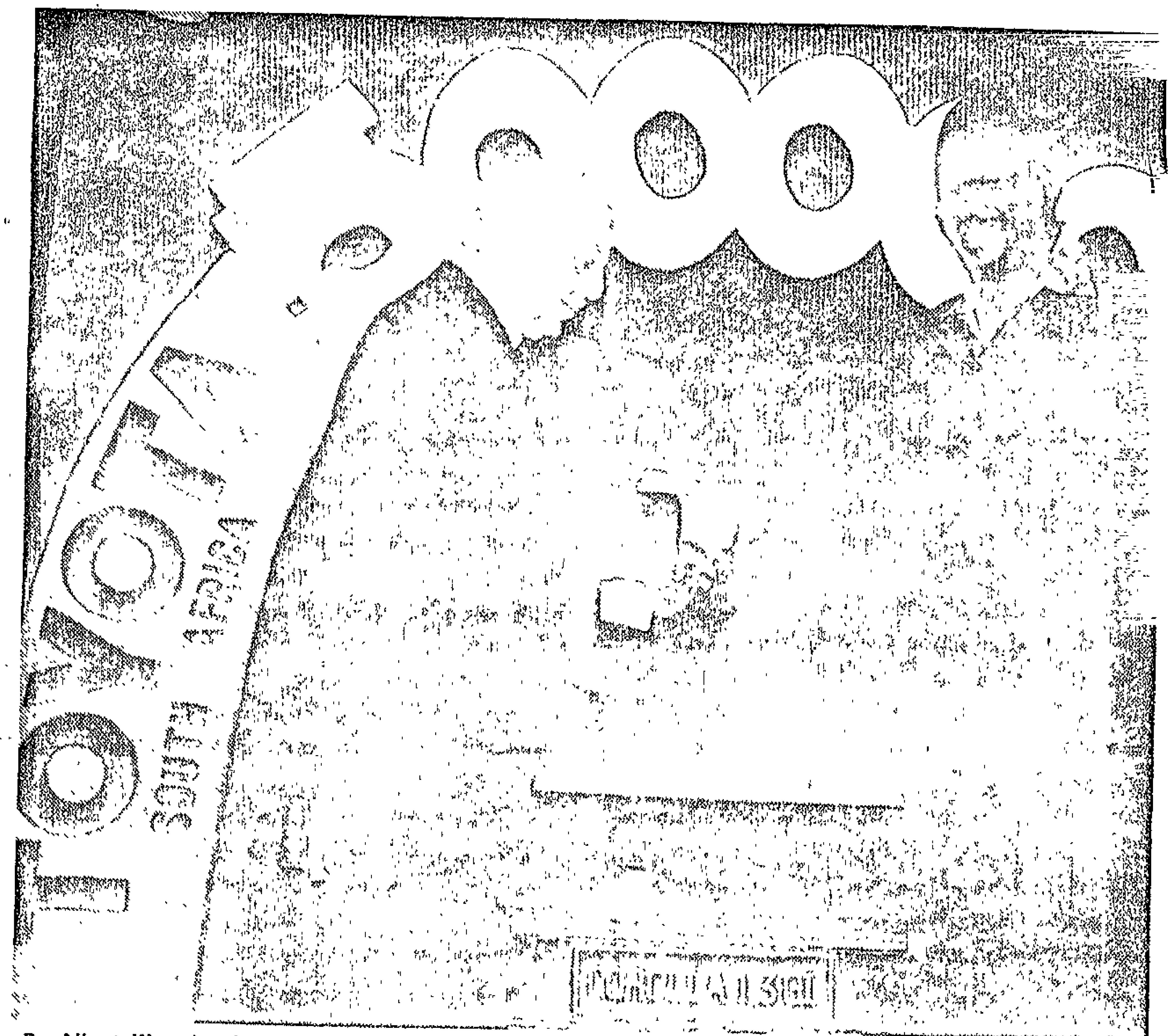
"We always consider the position of our partners in the countries where we operate. We try to understand the market and maintain a close relationship with our distributors, dealers and customers."

He attributed the quality and success of home-produced Japanese products to the fact that there were no foreign workers in the country and all workers at Toyota's factories, for example, were high-school graduates.

The lack of education among black workers was mentioned by Dr Albert Wessels, chairman of Toyota South Africa, at Motor Assemblies, Durban where he presented the Chief Minister of kwaZulu, Dr Gatsha Buthelezi, with the 500 000th vehicle produced by the local company.

Chief Buthelezi said he was aware of the problem and that too many black pupils dropped out of school after only Standard 1.

The need for black pupils to continue education to higher levels was the main reason why he had opposed the schools boycott in kwaZulu last year.



Dr Albert Wessels, chairman of Toyota South Africa, presents the 500 000th vehicle manufactured by Motor Assemblies, Durban to the Chief Minister of kwaZulu, Chief Gatsha Buthelezi.

Role of Wessels in Japanese car saga

Toyota South Africa will produce its one-millionth vehicle in 1987, the chairman of the company, Dr Albert Wessels, has predicted.

He was speaking on the occasion of Toyota's 20th anniversary in South Africa and the manufacture by Motor Assemblies of the 500 000th vehicle.

Toyota is now the biggest motor company in South Africa and the largest single franchise holder. In the first three months of this year it gained 17,5 percent of the local market.

"It is not an easy position to hold. I have seen other companies move into this position only to lose it within two years, but I am confident Toyota South Africa will remain the leader," said Dr Wessels.

"A franchise holder tends to hold the same position in the local market as its source company enjoys in its domestic market and as its exports are to the rest of the world.

"Toyota has for many years been the leader in its domestic market and the largest exporter and it is expected that Toyota franchise holders should also be the leaders in their respective local markets.

"I have confidence in our product. Toyota has a stable of no-nonsense vehicles and we enjoy the technical co-operation of Toyota, its experience, know how, marketing and managerial skills."

Dr Wessels stressed that Toyota South Africa had the production capacity to manufacture these vehicles and emphasised that he was not referring to only Toyota's facilities.

"We have built up a sound working relationship with our component suppliers and never underestimate their importance. Upon their quality and continuity of supply depends our productivity.

"Lastly — and this is by far the most important reason why I believe in our ability to maintain our leadership — we have the human resources to run a large operation.

"We have the management, the senior staff and the workers — a group of people committed to the development of our organisation," he said.

The Toyota saga began in 1960 when Dr Wessels, then a financier and clothing manufacturer, went to Japan to buy textiles.

He had started an import-export finance house and decided to look at the developing Japanese car industry. His attention was drawn to Toyota and he went to them and asked for the franchise for South Africa.

"I had nothing to back up my request but, after discussions, the company sent a representative to South Africa. I told him I had a financial company and experience in structuring things and if I was given the franchise I would build an organisation to handle it properly."

Dr Wessels obtained an import permit and Toyota sent three experts to study local conditions and requirements. The next step was to arrange for local assembly and develop a dealer network.

In 1963 Toyota acquired a stock exchange listing and two years later Dr Wessels realised one of his ambitions when Toyota SA acquired Motor Assemblies in Durban which gave Toyota direct control over its own production.

Government approval was granted for the local manufacture of the first Toyota passenger car and the first Corona rolled off the production line in May 1966.

Trial delay upsets car firm men

Star 23/6/87

Four former employees of the Toyota Marketing Company in Sandton expressed "great disappointment" yesterday after a case under the Riotous Assemblies Act had been postponed for the sixth time — to October 5.

They had appeared in the Randburg Regional Court to face charges under Section 10 of the Act, which prohibits the "intimidation or annoyance of persons, their relatives and dependants, in relation to their employment."

The men — Mr Charles Ngobese, Mr Themba Ngwenya, Mr Obed Mabaso and Mr More Sehlangu — are members of the Metal and Allied Workers Union, and were among 132 workers fired by Toyota in January after a strike.

As the first case in many years under the "anti-picketing" section of the Act, it is seen as having great significance in the labour field.

"We can't understand how the State can take 3½ months to provide details of the charges," a union spokesman said afterwards.

Japan to reduce trade with SA — ambassador

66
Rom 7/6/81

SALISBURY. — Japan is making a concerted effort to reduce its trade links with South Africa in the hope that Pretoria will abolish apartheid, says Mr Seiken Sasaki, Japanese Ambassador to Zimbabwe.

In an interview published in Salisbury on Wednesday, Mr Sasaki said that Japan would greatly increase its trade with black African and other nations.

But because Japan lacked its own natural resources it would continue to trade with South Africa for some time.

Japan is importing Zimbabwean goods — mainly ferrochrome, nickel, asbestos and cotton — worth about R40m, while Zimbabwe is buying Japanese goods, mainly electrical equipment, at the rate of R46m annually.

The diplomat said he hoped the two countries would strengthen economic ties when Japan sent some of its volunteer workers to Zimbabwe.

They will work with local personnel in agriculture, motor assembly and fisheries.

Mr Sasaki said his country would fully support United Nations sanctions aginst South Africa if it failed to relinquish control of South West Africa. — Sapa.

8101 29/7/81

Toyota profit up R10,2-m to June

66 By Mervyn Harris

Toyota SA, the country's leading carmaker, raised taxed profit from R5,6-million to R15,8-million in the half-year to June, reaping benefits from the boom in the industry.

The interim dividend has been increased by 150 percent from 20c to 50c a share and dividend cover was lifted from seven times at the end of December to 7,8.

Earnings a share rose from 136,5c to 300,2c after an amount of R9,1-million was deducted for the introduction of the LIFO method of stock evaluation.

Turnover was up 67 percent to R271-million against R162-million in the same period last year.

Retained income of R13,8-million is only R7-million less than that for the year to December 1980.

The company increased market penetration from 15,2 percent at the end of June last year to 19,3 percent.

Retail sales of all products rose from 28 263 units to 41 646 units but the company is cautiously optimistic for the next six months.

Mr Bert Wessels, vice chairman of Toyota, said that sales of commercial vehicles exceeded expectations with Toyota increasing its share of the market from 26,2 percent to 30,9 percent.

LEVELLING OFF

He said that the market for commercial vehicles was increasing and sales, especially of diesel vehicles, would sharply increase this year before implementation of the Atlantis Diesel Engine programme.

The sharp rise in interest rates and the shortage of money was, however, beginning to influence the private sector of the car market.

There were signs of a levelling off in this market, but the tempo of fleet deal sales, a market in which Toyota was strong, seemed to be increasing.

Dr Albert Wessels, chairman of Wesco Investments, announced at the company's annual meeting yesterday that Toyota is to become a subsidiary of Wesco after increasing stake in Toyota from about 49 percent to more than 50 percent.

The principle of a subsidiary relationship for Toyota had been considered for a long time and would improve the consolidated results of Wesco and strengthen the underlying capital base.

Wesco's financial year end will be changed from June to December to bring it in line with Toyota.

Forklift market new SA target for Japanese

S/Star 29/9/81

(66)

By Patrick McLoughlin

The Japanese are coming into the motor industry yet again: this time it's the turn of Datsun Nissan who have just launched their forklifts in South Africa.

Datsun has granted the sole franchise for Datsun Nissan forklifts — which they say are well established in most countries — to Camec and as a result the company has big plans.

The franchise agreement was signed with the R20-million turnover local firm in June and the subsidiary of Bonuskor, which is in turn backed by Volkskas Bank, recently played host to a high-powered delegation from the Japanese motor giant.

The visitors were Mr Kiichiro Tanake, managing director of Datsun Nissan's Industrial Textile and Marine Divisions, Mr Osamu Takamura, general manager of the same divisions, and Mr T Tominaga, export sales manager of the Industrial Machinery Division.

Mr Tanaka, who sits on the Nissan main board, was the most influential of the trio and he had some interesting things to say about their expectations in South Africa.

Talking about the economy in general terms, he commented: "I have the impression that you have potential for big development and we are pushing for a bigger share of the market."

He said there was a "close relationship" between the total demand of cars and forklifts: "If the car demand rises then so will the forklift sales.

"Your total car market is about 300 000 units a year and, as forklift sales are usually around 10 percent of car sales, we should be able to sell about 3 000 forklifts," he said.

Mr Kiichiro Tanake — keen analyst.

The Japanese were "very hopeful" in a country which encourages industry.

"South Africa's remarkable economic growth is frequently mentioned in the Japanese media so before coming here I had some knowledge of the strength of your economy.

"Now that I am here I can feel directly the vitality of your economic activity."

The visitors were politely tightlipped about what prompted them, in terms of their world corporate strategy, to enter our forklift market at this particular time, but Camec executives offered educated guesses.

The director of marketing and sales, Mr Denis Blewett said: "I believe that they thought forklifts would follow on the back of the production of their cars in SA."

He said that Datsun probably later changed its mind and decided to work through a local, experienced forklift truck distributor and give it the incentive to ultimately go into production.

Camec, whose head office is in Kempton Park, assembles trucks in Durban and holds franchises for compressors, P and H cranes, the range of forklifts from Coventry Climax of the UK.

"We expect to double our materials handling section (of which forklifts are a major component) in the next 12 months as a result of this new franchise," Mr Blewett said.

Toyota leader

66

E. P. Post 12/10/82

TOYOTA remains well ahead of the rest of the Japanese motor industry in sales, with the Corolla still the most popular car.

The sales figures for motor vehicle sale in Japan during June were led by Toyota with 140 055 units and a total of 750 066 for the first half-year. Next was Nissan with 95 098 and 568 523 units respectively.

The Toyota Corolla led Japanese domestic passenger car registrations in June with 20 686 units and a total of 124 320 for the first six months of 1982. The Mazda Familia was second with 18 556 and 100 724 respectively, followed by the Nissan Sunny.

There were five Toyota models in the top 10 most popular cars in Japan during June.

Star
14/10/82

Charade adds new line to Alfa

Production of the Daihatsu Charade, a former Car of the Year in Japan, will start in September next year under a R20 million agreement between Daihatsu Motor Company and Alfa Romeo SA.

Brits Engineering Industries, Alfa Romeo's manufacturing arm will produce the Charade and create 1 000 new jobs in the process.

Dr Vito Bianco, Alfa's managing director says the car will pioneer a new market in South Africa for inexpensive hatchback saloons which retain the versatility of fold-down rear seats. It will be priced "significantly lower" than existing models in the small car-range.

COMPATIBLE

"We were looking for a car to maximise our production capacity," said Dr Bianco. "We studied three different models from three stables and after careful analysis decided that Daihatsu was most compatible.

"It will complement our range as opposed to competing with existing Alfa Romeos and Fiats and should increase our volume substantially. With the Charade, we will not be competing with any existing model in the country."

The model to be made in South Africa will be a brand-new design still to be announced by Daihatsu.

The Charade will be marketed through an expanded Alfa Romeo-Fiat dealer network, says Dr Bianco.

(66) Star 18/10/82

Japanese query 'loans to SA'

By Geoffrey Murray

TOKYO — The Finance Ministry has begun investigating allegations that Japanese banks and securities companies have made loans to South Africa.

The UN Special Committee on Apartheid reported last Thursday on the alleged involvement of seven Japanese banks and securities companies in loans totalling about R465 million.

Sumitomo Bank, for example, was accused of extending a R197 million loan to South African Transport Services.

A London-based subsidiary of Daiwa Bank also lent about R70 million to a South African mineral resources corporation, the committee alleged.

Both Sumitomo and Daiwa have denied the allegations.

A Finance Ministry official said direct investments in South Africa were banned by government order in conformity with United Nations sanction.

However, the order has no clear-cut provision governing direct loans to South Africa, he said.

"Extension of loans to South Africa is not desirable," the official added.

Finance Ministry sources said it was impossible for the Japanese Government to prevent overseas subsidiaries of Japanese Finance Ministry in banks from making loans to South Africa.

However, if the head office of a Japanese bank were to extend a loan to a South African corporation, it would pose a major problem.

The Foreign Ministry said it would join the Finance Ministry in making a thorough investigation of the charges which could undermine Japan's efforts to develop good relations with Black Africa.

These relations have always been troubled by African complaints about Japan's strong trading and financial links with South Africa.

The Tokyo Government has always said it cannot interfere in private trade deals, although it doesn't encourage them in this particular case.

DAILY DISPATCH.

D Dispatch 17/11/82

2-week Honda stoppage

EAST LONDON — Production of the new Honda Ballade at Car Distributors Assembly here has been stopped for two weeks, a CDA spokesman, Mr Richard Wagner, confirmed yesterday.

Mr Wagner said the halt in the Honda assembly line was caused by a rubber bumper component which did not fit and that new components were being airfreighted from Japan.

The new marque was officially launched in South Africa at the beginning of this month and the assembly output from CDA was set at 800 units a month.

Mr Wagner said the stoppage would have no effect on Honda production staff or sales of the car.

The line stopped last week and would be out this week and half of next week. Dispatch of Hondas was resumed on Monday after those which had been completed were fitted with new bumper components, Mr Wagner said.

"CDA are not prepared to accept components below their quality standards," he said.

"The size of the rubber fitments for the bumpers was not quite right, although there is nothing wrong with the rubber itself."

Mr Wagner said there was nothing wrong with Hondas already sold. "Cars are only sold when they pass through quality control

Staff employed on the Honda line have been added to the Mercedes Benz assembly line, "to accelerate Mercedes Benz output where there is a backlog."

Mr Wagner said Honda dealerships would not be affected by the assembly stoppage as production and sales were ahead of schedule.

"The Honda line had a superb start up and dealers had stock earlier than anticipated so the stoppage will have no impact on staff or sales," he said. — DDR

Wrong bumper halts car plant

RDM 18/11/82

Mail Correspondent

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66

UK may get Sigma vans

Star 20/12/82 (66)

Financial Staff

Mazda UK is considering a plan to import South African-made Mazda B1800 light commercial vehicles.

Sigma Motor Corporation officials say the company would have no difficulty in supplying the British market.

Like most South African car manufacturers, Sigma has spare capacity and any orders from Britain would come as a welcome boost.

Mazda UK, frustrated by continuing limitations on Japanese imports to Britain, is considering this backdoor source at its Tunbridge Wells headquarters in Kent.

Managing director Mr John Ebenezer, now in Japan for meetings with suppliers, has said the scheme has their approval, but would depend on the price of the South African vehicles.

He said Mazda UK planned to sell the vehicles alongside Japanese-made ones.

Top SA companies in glass shake-up

S. Times 16/1/83

366

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 BophuthaTswana 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.

Impressive market grab

66

Star 16/2/83

By Stan Kennedy

In less than nine years Durab Industries of Alrode has grabbed a third of the folk-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 percent 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 percent.

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 obstinancy 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 retouched

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 customes' 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.

(66) 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.

0,5 multiplier is 2.

10 000.

BALANCED G.

EXPEN.

DEFICIT T.

SURPLUS

G.N.I.

M.P.C. tax money of government is greater than that of the consumer.

Suppose the consumer has a MPC of 0,7 of Y.D.I.

Now suppose there is a tax of R1 and G of R1

SA car maker to control its own shipping service

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.

Bus 42645 7/5/83

MR Loot 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.

66

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 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."

(66)

Industrial Week

10/5/83

NEW SAFETY LEGISLATION

SWEEPING changes are imminent in South Africa's safety legislation which will not only affect every employer but will be applicable right down to the householder employing domestic help.

Special Correspondent

Pending promulgation is the Machinery and Occupational Safety Act, 1983, which replaces existing legislation. It provides not only for the general safety around machinery but aims to protect the health of virtually every worker.

Bunny Matthysen, general manager of the National Occupational Safety Organisation (NOSA), asked to point out the key issues involved, said the effects of the new act would be "far reaching"

In contrast to the venerable Factories, Machinery and Building Works Act, 1941, the new Act provides protection not only for employees in factories and on building sites but all in employment – except those already covered by the Mines and Works Act and Explosives Act.

"This places fresh responsibilities on every employer in the country – right down to the household employer NOSA believes that the MOS Act is an important step forward in safety legislation" said Matthysen

Not that legislation is the only answer; but it is a useful benchmark from which to work.

Some of the important new changes are.

- It encompasses all employers
- The appointment of safety representatives should assist in the promotion of safety.
- Employers must, in certain instances, establish safety committees.
- The sale of machinery and safety equipment which does not meet certain specified standards will be prohibited

The new Act, which replaces the Factories Act but not the Factories Regulations, will not only affect all work places, educational institutions, hospitals, agriculture and governmental departments but also the SA Transport Services, which did not fall under the Factories Act.

Matthysen said that, for

Bunny Matthysen

instance, in future every educational institution employing more than 20 people, including the gardener, will have to carry out safety inspections. Those employing more than 100 will have to establish safety committees All will need some form of training

Although the legislation concerns all employers and people who receive remuneration, a clause has been included which states that certain persons may be deemed to be "employees" as far as their health and safety is concerned

And by a notice in the Government Gazette the Minister could make certain specific parts of the MOS Act applicable to students and scholars.

"Incidentally, this could also later cover national servicemen, prisoners and patients in institutions," said Matthysen.

It will also mean that any supplier tendering for a machinery contract will have to meet specified safety standards – even if it is the lowest bidder.

On the question of the householder's responsibilities, he pointed out that a domestic servant must be trained in the use of certain equipment which the employer must ensure meets safety requirements at all times.

"The householder could be held liable if a servant loses a toe while operating a rotary lawnmower without any foot protection. If a domestic servant has to clean windows by standing on four boxes and falls over the balcony the employer can again be held liable," he said.

Companies will be more concerned with their requirements in so far as safety committees are concerned and, for the first time in SA, the establishment of safety committees will be a requirement where more than 100 employees are concerned

Industrial Week 28/6/83

Car assembly firms join to make glass

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 Anglo 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 year's 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 will provide technical training and advice in Japan for Wesglas key personnel

Dr Albert Wessels

Output will at first go to the automotive industry and will be extended later to other sectors, such as general construction.

Star 7/1/84

Big developments in pipeline

Toyota driving for 25% of the market

66

MD Colin Adcock . . . no stopping growth

By Malcolm Fothergill

After a year in which Toyota increased its market share without introducing new lines, MD Mr Colin Adcock is confident everything will keep going right for South Africa's premier motor maker in 1984.

Among big developments in the pipeline are the launch in April of at least four new trucks in the Hino and DA Super Dolphin range, the probable launch of a front-wheel-drive Corolla late in the year and a move into making components.

Details of the move into components will be announced "fairly soon", but plans for the next car launch are being kept under wraps for the time being.

Mr Adcock makes no secret of his end-of-1985 target — 25 percent of total SA vehicle sales. This might sound ambitious, but given Toyota's steady growth since the late 1970s it need not be beyond reach.

An idea of how quickly it has grown: in 1973, when it was basically a commercial vehicle operation, it sold 6,5 percent of all passenger cars. By November 1983 (the latest figure available) it held 20,4 percent, against 18,6 percent a year earlier.

NOWHERE NEAR LIMIT

Its share of the total vehicle market had grown to 22,7 percent by November, against 21,6 percent in November 1982, while its share of the total commercial vehicle market remained 27,4 percent.

Is the company not approaching the limit of its market penetration? Mr Adcock thinks not.

"I don't believe there needs to be a point at which we have to stop growing. In any market, you reach a point where it's hard to increase your market share, but we're nowhere near that point yet," he says.

Reasons for Toyota's success? Mr Adcock lists them as producing highest quality for lowest price, which implies getting the production line running smoothly, and marketing.

He also notes that except for Renault, every other car maker has at least three lines, against Toyota's two.

He believes that far from being an advantage extra lines could dilute his competitors' marketing efforts while denying them some economies of scale.

Much of Toyota's efforts in the coming year will be to establish its Super Dolphin trucks, which at 10 to 15 tons capacity will slot in above its present F series.

The long-term aim is to achieve in trucks the same position in South Africa as Toyota has internationally — No 2 to Mercedes-Benz.

Again, the target looks well within range. In the first month after the F series was introduced last year, Toyota moved from eighth to third in truck sales charts.

A long-time fighter for equal pay for equal work, Mr Adcock is proud that pay and promotions at Toyota have been based on merit only since 1973, the year after he took over.

Inter-racial friction has been all but non-existent, he says, but the chauvinism of many South African men has caused some problems.

"I'm not really a philanthropist. At the end of the day it's a business decision — in return for better pay I expect better productivity."

Quality circles, introduced at senior levels and moving down the line, have reached middle management, including shop floor black supervisors.

KEEPING THEIR JOBS

Next, Mr Adcock hopes to move towards another Japanese idea — guaranteed lifetime employment.

Black men tend to favour "last in, first out" during hard times, he says. But in the 1977/78 recession, Indian women who make Toyota's seat covers all asked to work short time rather than have anyone sacked.

On the national scene, Mr Adcock believes gold will improve slowly in 1984, finishing the year above $400.

He also expects American interest rates to ease, bringing a small improvement in the rand/dollar rate.

Since exchange rates began floating in the early 1970s they have caused headaches for companies like Toyota which deal daily in foreign currencies.

If Toyota SA made no attempt to correct the swings in foreign exchange rates it could theoretically lose R17 million a year. So it closely watches exchange rates, buying forward where necessary to protect its position.

"We don't aim to make money out of managing our currency; we just aim to match our budgeted targets."

Mr Adcock, who rates 1983 as the most fascinating year of his career, expects to see "real growth across the board" in the second half of 1984, after a pedestrian first half.

Etheredge's retirement w[illegible]ll lead

It's not often one comes across someone like Dennis Etheredge, an academic turned businessman — almost by accident — who rose from part-time clerk to chairman of the world's most powerful gold mining group.

And, somewhat surprisingly, he is the archetypal favourite uncle.

He shows no outward sign of the [illegible] American's size is omnipotent.

But, he says, the big companies and, ultimately, the people who control them, can have little impact in politics — unless individuals are ready to forsake all and join the party they believe will bring change.

"Businessmen of goodwill, however important, can do very little in direct political matters."

For this reason he has played no [illegible] since his

[illegible] will lead to busy new role

Mr Denis Etheredge retired at the end of 1983 as chairman of Anglo American's gold and uranium division. Peter Farley spoke to him about his contribution to South African mining.

[illegible] gold mining group.

And, somewhat surprisingly, he is the archetypal favourite uncle.

He shows no outward sign of the power which his position as head of Anglo American's gold and uranium division commanded.

His retirement last week will therefore leave a much more difficult space to fill than might otherwise have been the case.

Mr Etheredge's career has been well documented, from his active days as secretary of the United Federal Party in the then Southern Rhodesia through his efforts during the "Zambianisation" of the Copperbelt.

He is a director of many organisations, ranging from president of the Bureau of Literacy and Literature to the Atomic Energy Corporation. They mainly embrace his longstanding commitment to improving the quality of life for all races.

Predictably, retirement will not entail a withdrawal from the public stage. In many ways he will probably be busier now than ever before.

In fact, he still has something up his sleeve — that cannot be revealed at this stage — which will involve becoming chairman of a rather influential organisation.

Given his continuing commitments he feels the aspect of Anglo he will miss most is his secretary. "I will now have to do all my own filing, buy my own stamps and pay my own telephone bill."

Not one to be put off by new challenges, he went to pay his 'phone bill the other day for what must be the first time in 20-odd years. "I was amazed how easy it was."

But that is the lighter side of a man respected worldwide for his honesty and professionalism.

As a regular speaker at international gold and investment conferences, he is often accorded the accolade of being at the top of his field.

But he has no illusions about such a billing being ephemeral.

Recently asked to address yet another conference later this year in the US, he politely declined and suggested selection of someone closer to the pulse.

Dennis Etheredge . . . hanging up his pick and shovel.

Candid as ever, Mr Etheredge says: "I no longer matter." While some of one's experience is relevant for a long time, he says, "a lot of it becomes outdated very quickly."

His early days with Anglo, amid the torrid politics of Southern Rhodesia, taught him a lifelong lesson.

He says there are many illusions about the power of big business. Many people believe, and often expect, that a corporation of Anglo politics — unless individuals are ready to forsake all and join the party they believe will bring change.

"Businessmen of goodwill, however important, can do very little in direct political matters."

For this reason he has played no part in the political arena since his return to SA from up north almost 10 years ago — and has no intention of becoming more active.

One certainty: he will not be playing any golf in the few spare moments he will get during retirement.

With good reason he well remembers December 15 1975, about 5.15. He had just completed a round of golf at Vaal Reefs gold mine's Orkney course as the last fourball in a hit and giggle tournament — where the men and women play together.

He returned to the clubhouse with a meagre eight points. Bad enough to have come last, but then the final blow — to be told his wife had won with 38 points. Enough to make even the mildest chauvinist hang up his clubs for good!

Other occupations during the next few years — as if he doesn't have enough already — will be keeping a closer watch over the trout farm he runs and more careful tending of his collection of Japanese miniature bonsai trees.

Certainly few men can deserve a break as much as does Mr Etheredge. His wife Meg will readily agree.

But there is no doubt that those whom he leaves behind at Anglo would rather see him back at his desk on Monday morning.

Dunlop SA to get aid from Sumitomo

(66) Time 23/9/83

DURBAN. — Dunlop South Africa will benefit technically from a new agreement which has been reached between Dunlop Holdings in England and Sumitomo Rubber Industries in Japan, according to Mr Clive Hooper, managing director of Dunlop South Africa.

As a result of the agreement, announced in London yesterday, and subject to final contract, Sumitomo will acquire Dunlop's tyre factories in the UK and West Germany over 15 months, and the right to market Dunlop tyres in Western Europe

Dunlop Holdings will dispose of its 40 percent shareholding in Sumitomo to the Sumitomo group.

"Dunlop South Africa is obviously not included in the sale, but we will, from July 1, 1984, receive considerable tyre technical aid from Sumitomo in terms of the agreement," Mr Hooper said.

"When the tyre research and development facilities in the UK and Europe are acquired by Sumitomo next year, a new technical aid and licensing agreement will be effected, whereby Sumitomo will provide tyre design, manufacturing technology assistance to Dunlop, for use by Dunlop companies, its associates and licensees throughout the world."

"Our consumer and industrial divisions, which make Dunlopillo foam products, sports goods, carpeting and resilient flooring, conveyor belting and hoses, are not affected by the agreement and will continue to receive technical aid from the UK."

Sumitomo, together with its 48 per cent stake in Ohtsu, is now the second largest tyre company in Japan, with 1982 sales of nearly R1 billion

It forms part of the giant Sumitomo trading group, whose sales are R102-billion and which employs over 300 000 people — Sapa

Japanese pen maker launches sales drive

(66)
S Expr
19/3/84

By Stan Kennedy

Pentel, one of the world's largest manufacturers of pens and pencils for writing, draughting and artwork, has launched a concerted drive to capture a larger share of the estimated R150 million-a-year South African pen and pencil market.

Despite having traded here since 1947 through several distributors, sales nowhere have reached desirable levels, despite a bigger demand for Pentel products.

The first move towards improving its performance is the formation of a new company, Malden SA, in Amalgam, Crown Mines, to handle nothing but the company's products. This is to be followed by a mailshot programme that will reach more than 7 500 of the country's major consumers.

SOLE LICENSEE

Pentel of Japan is the leader in automatic pencils, leads and roller pens in the US and Europe, and is the sole licensee to manufacture and supply pens and pencils for the hundreds of thousands who will attend the Olympic Games in Los Angeles.

Managing director Mr Toshio Okumura says people moved away from pencils some years ago because of continual frustration at broken leads. Now these have been perfected. Pentel's quality is the highest in the world — 20 to 30 percent stronger than anything else on the market.

It is the only writing instrument company in the world to be given the Professor Edward Deming Medal for quality control. Professor Deming, a world authority on quality control, makes occasional visits to South Africa to speak on the subject.

Pentel was the first to make fibre-tip pens, thin lead clutch pencils and roller pens.

29/6/84 RDM

Nissan production halts as 5 000 workers strike

By PHILLIP VAN NIEKERK

ABOUT 5 000 workers yesterday brought production to a halt at the Nissan motor plant and at two sister plants, Magnis and Motoware, in Rosslyn near Pretoria, when they went on strike, demanding higher wages.

The action followed a mass meeting of several thousand workers in Mamelodi on Wednesday night, where they were informed of the wage deadlock between Nissan and the United African Motor and Allied Workers' Union (UAMAWU).

Nissan is offering increases ranging from 8c to 10c an hour, while the union is demanding an increase of 45c across-the-board.

The workers have said they will not go back until their demands are met, while Nissan has refused to resume negotiations until they end the strike.

The union will be meeting with the company today in an attempt to break they deadock.

About 3 000 workers downed tools at 7am and later assembled outside the plant, where they were addressed by union leaders through a loudhailer. They dispersed peaceably, after agreeing to return today to collect their pay.

The day-shift workers were joined by night-shift workers yesterday, bringing the total number of strikers to about 5 000.

A spokesman for the UAMAWU said they were demanding a wage in a situation where the cost of living was constantly rising, and where the new general sales tax implementation was going to hit the entire black community.

Mr C V Strydom, the industrial relations director of Nissan, said negotiations of "normal bi-annual conditions of employment" between the UAMAWU and the company had taken place in the past week.

Striking workers outside the Nissan plant in Rosslyn, Pretoria, yesterday.

pointedly protesting against the continuing violence in South West Africa.

RDM 30/6/84

reases advertising rates

eighth place.

The old "Seven Brides for Seven Brothers" came ninth, and "Voyagers", which has just ended its run, came 10th.

The SABC does not plan buying more series of "Voyagers" right now, but given its early afternoon slot, the fact that it came 10th is an indication of its popularity with adults.

This factor is almost certain to make the SABC take another look at the time-travel education series with Jon-Erik Huxum and Meeno Peluce.

□□□

A SHORT SEASON of five top-rated movies starts on TV1 on July 12 in the lead-up to the start of the lavish soap opera "Marco Polo".

The first film is Nevil Shute's classic "On the Beach", with Gregory Peck, Ava Gardner, Fred Astaire and Anthony Perkins. It has a full four-star rating from the film guides.

The second is "Anne of the Thousand Days" (three stars), with Richard Burton and Genevieve Bujold, the historically inaccurate but highly engrossing story of Anne Boleyn and Henry VIII.

The third film is the 3½-star rated "This Sporting Life", with Richard Harris and Rachel Roberts, about a Yorkshire coalminer who becomes a rugby professional.

Fourth in the line-up is "Bonnie and Clyde", with Warren Beatty and Faye Dunaway, the four-star rated classic about the two legendary bank robbers. The film has spawned a host of imitations but still remains tops.

The fifth film is the classic three-star rated 1978 Ingmar Bergman classic "Autumn Sonata", with Ingrid Bergman and Liv Ullmann.

□□□

RADIO 702 yesterday announced that it would be setting up its own studio at the 1984 Los Angeles Olympic Games, to bring full Olympic coverage to its listeners.

From Monday, July 2, there will be reports every morning at about 7.50am. There will also be in-depth personality spotlights on athletes with South African connections, like Zola Budd and Sydney Maree.

A week before the Games, 702's sports editor, Chris Gibbons, will fly to Los Angeles to establish the station's mini-studio.

He will then report every morning and evening from Los Angeles on every aspect of the Games.

And since TV1 can't buy the short feature film "Zola" because it's only for the cinema circuit, it's doing the next-best thing.

On Saturday, July 14, at 7.07pm, it is screening a docu-drama called "Die Gimnas" about Ginny Coker, a promising 16-year-old gymnast.

She is subjected to a rigorous training programme by her coach, a former Olympics participant.

While Afrikaans TV1 is doing something about the Olympics, nothing is known at this stage as to what English TV1 — or English radio for that matter — is doing.

Afrikaans radio, as published in the Mail yesterday, is featuring a special series of programmes on the history of the Olympics.

Much of Nissan still on strike

By PHILLIP VAN NIEKERK

A LARGE number of workers returned to their jobs yesterday at Rosslyn's three strike-bound sister motor plants — Nissan, Motorware and Magnis — but production failed to resume at the largest of the plants, Nissan.

This happened after more than 1 000 workers at the plant refused to go back to their jobs, in defiance of calls by officials of the United African Motor and Allied Workers' Union (UAMAWU) that they return.

More than 5 000 workers at the three plants near Pretoria downed tools on Thursday, after the union and the company deadlocked earlier in the week over wage increases.

Management and union representatives met again yesterday, but the company said in a statement that "Nissan is not prepared to negotiate conditions of employment until the total workforce is back".

Mrs Dora Nowatha, the general secretary of the UAMAWU, urged workers who gathered outside the three plants to return to work so that the negotiations could resume.

While most of the workers at the Motorware and Magnis plants returned to their jobs, a large number of Nissan workers refused to return, saying that they had taken a decision to remain on strike until their wage demands were met.

They had only gone to work to collect their pay.

Sources at the plant said production did not continue yesterday, and that those workers who had gone to work had been paid out and had left the premises before 1pm.

The UAMAWU is demanding a 45c across-the-board increase, while the company is offering increases ranging from eight cents to 10c an hour.

Our Pretoria Bureau reports that an hour after the Nissan workers were told to line up at the main gate for their pay-packets, workers complained that a stamp was put in their payslips, arousing the suspicion that they might be expelled when they reported for work.

Members of another motor union with members at the plant — the National Automobile and Allied Workers' Union (Naawu) — stood outside the company's premises.

A union official said that they had decided to adopt a low-key stance as, at this stage, they still had minority

Dr Allan Boesak, Bishop Manas Buthelezi and Bishop Desmond Tutu at the conference of the South African Council of Churches yesterday.

Picture: TONY NAIDOO

SACC votes to pray for apartheid's end

of the World Alliance of Reformed Churches.

A motion approved yesterday at the national conference of the SACC was a modification of Dr Boesak's call to pray for the downfall of the Government.

It called for a day of prayer for the abolition of all apartheid structures in South Africa.

Twenty seven people voted in favour of the motion with five against and five abstentions.

Bishop Manas Buthelezi was elected president and Bishop Desmond Tutu general secretary of the SACC.

d fossils are 'spectacular'

fossil ... Is- ... man's ... the ... area ... re- ... in ... finds, ... mem- were urgently necessary as population pressure on the island would soon make excavations difficult.

The first fossils of Proconsul Africanus were recovered on Rusinga Island in 1948 and some of the latest were retrieved from rocks from the same area that had been stored at the National Museum in Nairobi for more than 30 years.

Dr Richard Walker, of the John Hopkins Medical School in the US, said a said.

The ape-like creature, which some scientists say could have been an early ancestor of man, does not appear to have had a tail.

Remains of previously unknown animal species, also dating from 18-million years ago, included part of the skull of a giant carnivore, and remains of a giant hyrax, which would have been the size of a small cow, whereas the hyrax today is little bigger than a hare.

Members of another motor union with members at the plant — the National Automobile and Allied Workers' Union (Naawu) — stood outside the company's premises.

A union official said that they had decided to adopt a low-key stance as, at this stage, they still had minority

3/7/84

Nissan starts pay talks again

192 152 66

Mail Reporter

MORE than 5 000 workers at Nissan and its sister motor assembly plants, Magnis and Motorware, at Rosslyn near Pretoria returned to their jobs yesterday as management reopened wage negotiations with the United African Motor Workers' Union (UAMWU).

But there were unconfirmed reports late yesterday that the entire workforce downed tools again yesterday afternoon after rejecting Nissan's improved wage offer.

The workers downed tools on Thursday after Nissan and the UAMWU deadlocked over wages, with the company offering increases of 8c and 10c an hour and the union demanding a 45c across-the-board increase.

It is understood that the company's improved offer yesterday was 16c an hour.

Most of the workers returned to their jobs on Friday but more than 1 000 at the Nissan plant ignored UAMWU pleas for them to return saying they had decided to stay out until management had made a better wage offer.

Management refused to re-open wage negotiations until all the workers had returned.

After the entire workforce at all three plants were back at their jobs yesterday morning, the company and the UAMWU restarted wage negotiations, which continued until late yesterday.

Improved wage offer by Nissan

RDM 4/7/84

(66)

Mail Reporter

OFFICIALS of the United African Motor Workers' Union (UAMWU) yesterday agreed to take an improved wage offer by the Nissan group back to their members who have been on strike at Nissan and its two sister plants, Magnis and Motorware, at Rosslyn near Pretoria.

By late yesterday the Mail had not been informed of the outcome of the union report-back and neither management nor the union were prepared to disclose details of the improved offer before the workers had been informed.

It was also learnt yesterday that though workers returned to the Nissan plant on Monday, they stood by their machines without working.

The strike by more than 5 000 workers at the three plants began on Thursday last week after wage negotiations between the Nissan group and the UAMWU deadlocked, with the union demanding a 45c across-the-board increase and the company offering increases of up to 10c an hour.

Mr N Strydom, Nissan South Africa's industrial relations director, said yesterday that everything was back to normal.

RDM 17/7/84

Alfa workers resume

Mail Reporter

THE wage dispute at the Alfa Romeo assembly plant in Brits, Brits Engineering, which closed the plant for the whole of last week, was settled yesterday and the workers have agreed to end their strike this morning.

Dr N Bianco, managing director of Alfa Romeo South Africa, said he was "very happy" with the deal because "with the increase in cost of living the workers need more money".

A statement by the National Automobile and Allied Workers' Union (Naawu) yesterday said the union had accepted an offer by the company for an immediate increase of 16c an hour, followed by 4c an hour in October.

A total of 800 workers went on strike on Monday last week, and the company closed the plant on Wednesday.

The Naawu statement said the deal brought the total increase at Alfa to an effective 37 cents an hour for the year, the highest yet negotiated.

Wages case: Woman fined

S.Times 31/7/84

Staff Reporter

A 32-YEAR-OLD divorced Sea Point mother was yesterday fined a total of R500 (or 250 days) in the Magistrate's Court for 10 contraventions of the Labour Relations Act.

The contraventions included her failure to pay two employees in full for overtime.

Maria Madeleina D'Oliviera, of Rhone Flats, Regent Road, Sea Point — a director of Bellatrix Investments (Pty) Ltd, trading as Gilliard Creations, of Rose Street, Cape Town — was also convicted, as one of the 10 counts, of failing to pay another employee her wages and pro-rata leave pay on termination of her employment.

The magistrate, Mr B Carroll, suspended the entire fine for five years and ordered her to pay the amounts owing to three employees (R152,28) to the Industrial Council for the Clothing Trade by December 1.

Register

D'Oliviera was convicted of wrongfully requiring or permitting Kathleen Spielman and Fatima Higgins to work overtime in excess of two hours a day and failing to pay them R25,04 and R28,24 respectively.

She also failed to pay Laurel Heuwel her wages and pro-rata leave pay on termination of her employment, resulting in an underpayment of R99, and did not produce on demand to the Industrial Council the firm's wage register.

The other counts related to failure to comply with various Industrial Council regulations.

Mr Carroll said the court took into account D'Oliviera's financial circumstances.

"The offences relating to the non-payment of amounts owing to employees are very serious. Most factory workers live just below the breadline and have to budget with what they anticipate they will be paid. If they do not receive the amounts due to them, they overspend and end up here in the debtor's court," Mr Carroll said.

Mr I Yuille prosecuted. Mr J Kudo appeared for D'Oliviera.

Business Day/INDUS

66 20 M

Japanese truck launch for SA

19/4/85

By DAVID FURLONGER
Industrial Editor

SOUTH Africa is to be used as the launching-ground for a new Japanese truck.

Magnis Truck Corporation officials have confirmed the company has started building the Nissan-Diesel CM truck at its Rosslyn, Pretoria, plant.

Officials are not prepared to release details until marketing begins next month. However, they say their production timetable is well ahead of the US where the CM's launch later this year will spearhead the first major Japanese attempt to capture a significant share of the North American market.

The CM range is expected to be sold in several countries this year. But South Africa is so far the only country outside Japan where it has gone into production.

The CM takes Magnis for the first time into the high-volume, 7,5-ton to 15-ton gross mass sector of the market.

The manufacturer, which already makes Samag and Nissan-Diesel heavy trucks, as well as Samil military vehicles, hopes the CM will enable it to narrow the gap on the truck market leader, Mercedes-Benz.

The new range will not replace models.

ARGUS 26/4/85

MANPOWER

'Labour stability essential'

Parliamentary Staff

STABILITY in the labour field was an essential prerequisite for economic growth and development in South Africa, the Minister of Manpower, Mr P T C du Plessis, said in the House of Delegates.

During the debate on the Manpower vote yesterday, Mr du Plessis said in the past year increased use had been made of the conciliation machinery provided for in the Labour Relations Act.

Although the number of strikes and work stoppages increased to 469, involving 181 942 workers in 1984 compared to 336 strikes involving 64 469 workers in 1983, they had been of relatively short duration — an average of 2,1 days.

No money taken out as ...

Isuzu side-steps Japanese ban on SA investment

(66) B. Day 25/7/85


● HARADA


● OGAWA

ALAN RUDDOCK

ISUZU, a Japanese motor giant, has been able to side-step its government's ban on investment in South Africa, according to executive director Hishasi Ogawa.

"If the ban were to be lifted, we would be more concerned about investing here. However, General Motors (US) is the largest single shareholder in Isuzu Motors Japan with 34,2%, so the investment needs of Isuzu in SA can be met by GM, who represent us here," said Ogawa, who is on a brief visit to SA.

Speaking through his interpreter, Isuzu overseas operations manager Yoshiaki Harada, Ogawa said Isuzu took no profits nor royalties out of SA.

"We supply the latest components and technology. While we take nothing directly out of SA, we are compensated through our relationship with the General Motors group worldwide."

Ogawa said SA was an important market for Japanese companies.

"Although we know that SA's economy is very depressed at the moment, we are confident that it will recover in a short time. There is potential in the black market here and we are confident that as their salaries and purchasing power increase, they will become good and important customers for Isuzu."

Despite the Japanese investmet ban, Ogawa said that there was no pressure on Japanese companies trading in SA to pull out.

Isuzu was naturally concerned with the depressed state of the SA motor industry, said Ogawa.

"We recognise that the market is depressed and our marketing efforts are geared towards at least keeping our present 15% share of the diminishing medium/heavy commercial vehicle market and, if possible, increasing that share. We believe that the market has great potential."

Ogawa and Harada are in SA primarily for a courtesy visit to GM and Isuzu dealers.

"We have come to see the International Transport Exhibition and Conference (Itec '85 in Johannesburg), to hold discussions with GM and to pay a visit to some of our South African dealers."

He added that discussions included the possibility of GM exporting Isuzu components to Japan. "The decision on that will be based on the price, quality and dependability that GM can offer."

Sales of Isuzu trucks in SA represent about 5% of the company's total world sales but it had no plans to introduce its range of passenger cars, said Ogawa.

Japan looks at SA curbs

66

10/9/85

STAR

TOKYO — Japan wants to discuss economic curbs against South Africa with the United States and other countries, Foreign Minister Mr Shintaro Abe said here today.

Mr Abe said his government was studying whether to strengthen its existing sanctions against South Africa, with which it has only consular-level relations.

"Japan will consider additional sanctions independently, taking into consideration the statement by President Ronald Reagan," he said.

Mr Reagan yesterday imposed economic sanctions on South Africa and condemned its policy of racial segregation.

"But international cooperation is required if economic sanctions are to be taken," Mr Abe said. "We would like to discuss that with the US."

Sanctions on high technology and finance could be discussed at such talks. — Reuter.

FOREIGN FIRMS IN SA - JAPAN

1986 - 19~~89~~ 92

Investment ban pressure builds

Bus Day 11/2/86 66

DAVID FURLONGER
Industrial Editor

THE Japanese government is under pressure to relax its ban on investments in South Africa.

Official Japanese representatives in SA refuse to speculate, but sources say there is a growing feeling in Japanese government circles that there should be limited investment directed specifically at benefiting blacks.

A senior source said yesterday: "The government considers investing in South Africa means helping white South Africans.

"However, there are those who think investing in this country, where it specifically benefits only blacks, is in accord with Japanese policy in the long run. This is not yet accepted by the Japanese government but it could change."

Despite the Japanese government's ban on direct investment in South Africa, and its discouraging of cultural, sporting and educational links, Japan remains SA's second biggest trading partner.

'It pays to be fair'

CITY P. 20/4/86

66

THOUGH SA companies don't have to conform to the Sullivan and EEC employment codes, the country's leading motormaker, Toyota, believes they contain useful guidelines.

Toyota claims it already exceeds the requirements of these codes.

The company says it pays wages far above the minimum laid down by the European Community Code of Conduct.

"We are also making further improvements to our medical and pension benefit schemes," said Toyota personnel director Theo van den Bergh.

"We want these schemes to be non-discriminatory and attractive to black employees," he said.

"We actively support the elimination of racially discriminatory laws through our involvement in the Automobile Manufacturers Employers' Organisation and in the Federated Chamber of Industries.

"We are now making final adjustments to our pension and medical aid plans to fully comply with these codes," he said.

"Though we have no obligation to observe the Sullivan and EEC Codes, we regularly measure ourselves against them."

Toyota's management has not developed a specific philosophy of black advancement – because they feel that all employees should have equal work opportunities.

"Toyota has special advancement programs for employees who joined the company without having had good educational opportunities," said Van den Bergh.

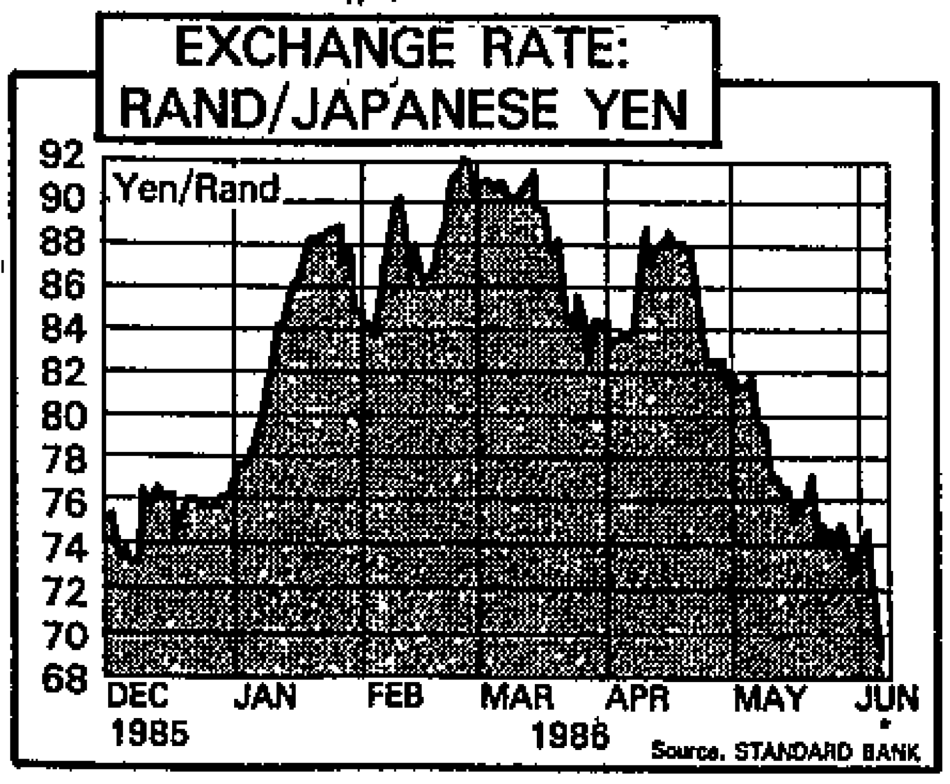
"You can't expect a person to develop self-esteem when he or she must compete on an unequal basis.

"We have over 200 black employees in supervisory positions in our manufacturing and marketing companies. We're training black artisans and preparing black trainees for supervisory and managerial positions.

"All employees are placed on our Manpower Planning systems so that there will be equal opportunities for everyone to advance."

Yen is giving importers problems

6/6/86 BUS DAY 66



ALAN RUDDOCK

JAPANESE-SOURCED companies are being hammered by the rand's depreciation on the forex market and will be forced to increase prices at a faster rate than competitors sourced elsewhere.

Since December, the gap between the yen and the DM has widened to eight percentage points — the yen appreciated against the dollar by 13,4% and the DM by 5,3% — and the pressure on importers has been exacerbated by the rand's recent weakness.

Tek Electronics director Richard Ferrer says that although German-sourced products have been hit by currency depreciation "the real problem has been the yen".

"We have no option but to push up prices because we have no excess stock to cushion the rand's fall. There will have to be an increase on July 1, and if the position does not improve, we will have to consider a further increase on August 1.

"We costed for July at a rate of 75 yen

● To Page 2

Yen is causing problems

BUS DAY 6/6/86 66

● From Page 1

to the rand and its now at 68.

"It's almost impossible to do any long-term planning with such a volatile exchange rate. Foreign companies cannot get consistency from SA buyers and our reputation overseas has suffered."

A spokesman for National Panasonic says the Japanese-source companies do not want to lose volumes, "but we will be increasing prices because we have to recover costs.

"The market is extremely price-sensitive and if we have to increase prices out of line with the competition, we won't sell.

"Volumes have already fallen off in the past year."

Low stocking levels in the white and brown goods sector, because of falling demand, forces manufacturers to pass on the added cost to the consumer almost immediately.

Car manufacturers, who are sourced from Japan and Germany, say the six-month gap does not pose a major problem to the Japanese companies competitive edge, because in the longer term the two currencies even out. Long lead times, a growing stock inventory and under-recovery also offset discrepancies.

Vehicle prices, however, will be pushed up at a faster rate by the rand's fall and car manufacturers may be forced to revert to bi-monthly instead of quarterly increases.

Mazda vows to stay put in SA come what may

CHRIS CAIRNCROSS

TOKYO — Mazda Motor Corporation (MC), Japan's 14th largest industrial conglomerate, has no intention of bowing to political pressure to relinquish ties with SA.

Its medium-to-long-term objective is to strengthen its foothold in the SA marketplace and eventually to use it as an assembly/manufacturing launching pad from which to distribute products to the rest of southern Africa.

This was confirmed by Keiji Asano, MD in charge of Mazda's overseas operations, during an interview with *Business Day* at the group's Hiroshima headquarters this week.

Trade links

Asano said he was fully cognisant of the political and economic problems facing SA, and of international threats of sanctions of one sort or another.

He said Mazda had not yet felt pressure to sever its trade links with SA, which it has via a manufacturing/assembly agreement with the Anglo American-controlled Samcor group.

MC, which last year generated gross sales internationally of about $7,4bn, remains confident in SA's long-term future.

It sees the current low level of domestic activity — including the weak rand — as a temporary aberration.

In the circumstances, MC believes its resolve to maintain and strengthen its presence in SA will eventually be fully vindicated.

At this stage, the SA market absorbs only a small proportion of MC's exports.

Last year, for example, the group's export sales amounted to one million units, of which only 3% to 4% were taken up in SA.

Yet SA is still regarded as an important market segment for MC.

Significantly, it was the first foreign market MC penetrated when it started producing cars at the beginning of the 1960s.

Involvement

Asano said that MC — now regarded as one of the most innovative and advanced vehicle manufacturers in Japan today — could no longer afford to wait indefinitely for the SA economy, or the state of the motor industry, to recover.

It was, therefore, actively looking for ways of strengthening its position in the region through its involvement with Samcor.

Plans are in the pipeline aimed at encouraging Samcor to streamline production and to produce vehicles with greater added value.

Implicit in this resolve is MC's intention to assist Samcor in sourcing its automotive components more competitively.

Asano said MC would, in certain circumstances, be willing actively to encourage SA's other automotive component manufacturers to get a slice of the action.

"We are increasingly looking outward to source our components."

Prospective suppliers would have to meet three basic criteria before MC considered doing any business with them, he said.

These were product quality, competitive pricing and reliable and consistent delivery.

"If these criteria can be met, we are open to any proposals from SA."

This outward approach to sourcing "tie-on" components outside Japan is a comparatively new phenomenon for MC.

Strength

It is also a trend towards which the Japanese motor industry as a whole is moving.

Two factors are influencing the development:

☐ The strength of the yen on foreign exchange markets, which is reducing the competitiveness of Japanese vehicles in international markets;

☐ The growing pressures in the US and Europe, particularly, to impose restrictions/quotas on Japanese exports.

The steps being taken by MC reflect a comparatively new tactic by Japanese industry in combating growing resistance in the international trade arena, industry executives in Hiroshima say.

MC is actively moving to take on a more international character, with the accent on joint ventures and the decentralisation of operations to service different markets.

It has already penetrated MC's ownership structure, with Ford having taken up 25% of its equity — ensuring an even closer relationship with Samcor in which Ford of Canada has a 42% stake.

Worldwide

This merging of interests represented a *de facto* rationalisation of the motor industry worldwide and was a phenomenon that was going to gather momentum, Asano said.

The Japanese motor industry estimates that the growth in the market worldwide has slowed to between 1% and 2% annually, with only the developing countries reflecting an annualised improvement of about 3% to 4%.

Competition is thus becoming fiercer and joint ventures remain the only sure recipe for survival.

MC's international operations consist of 16 manufacturing/assembly facilities — established mostly on Samcor lines — which sell into 120 countries.

The group is, however, beginning to take a higher investment profile outside Japan.

This includes a $450m investment in a production plant in Michigan, US. The facility, due for completion next year, has a design capacity of 300 000 units a year.

Another assembly plant is now being constructed in India. MC is looking to expand further into Mexico.

SA partners arch rivals in Japan

27/7/86 SUN TIMES (66)

By Business Times editor DAVID CARTE in Tokyo

MITSUBISHI and Mazda may be partners in South Africa through Samcor — but in Japan they are arch foes.

Mazda ousted Mitsubishi Motor Industries from the No 3 spot among Japanese motor companies five years ago. But it is still a neck-and-neck race, Mazda producing 9,9% of the Japanese motor industry's output and MMC 9,6%.

Both companies produce about 1,3-million vehicles a year and it is conceivable the relative positions will be reversed this year or next.

The two leaders by far are Toyota with 29,9% and Nissan with 21,6%.

Pressure

There are several similarities between Mazda and MMI.

Neither has been under any pressure to quit SA, and neither has even discussed the matter. So both would be eager to pick up business from any motor company moving out of SA.

They are fierce competitors in markets at home and abroad, but ultimately they are also partners in the continuing export effort of "Japan Inc".

Both companies, look after their workers from cradle to grave and in response the employees of both are dedicated beyond the call of duty. The workers of both are feverishly productive.

In unshakeable "partnerships between labour and capital", the welfare of employees comes before profit or dividends and neither company has ever laid off workers.

Both have sent car-builders out into the field as door-to-door salesmen when demand has fallen behind supply.

Ploughback

Both are more concerned about the long-term creation of value in the firm than short-term profits. Product and market development come before profits, so profit ploughback in both companies is high.

Returns on sales (under 5%) and on assets are low, but both set aside about 5% of sales for research and development.

Like Mazda, MMI is at the forefront of motor technology. Porsche has incorporated MMI-developed silent shafts in its new 944 model.

MMI's Sirius DASH engine, its electronic-controlled suspension and ELC automatic transmission and electronic power steering are some of a host of new products worrying competitors.

Its Star Wagon mini-buses with four-wheel drive and luxury seating options pose a huge threat to those of Toyota and Volkswagen.

The efficiency of both has scared the international industry.

They have had to agree to export quotas and they are building plants to produce 250 000 vehicles each in the US.

Both have American partners. Chrysler holds 25% of MMI and Ford of the US owns a similar proportion of Mazda.

The partner companies in both cases are working on hybrid products in the US. Both are battling to maintain international competitiveness because of a rising yen. Rather than risk losing market share, they have cut prices to dealers all over the world. As a result margins on exports are paper thin.

There are marked differences between the two partners in Samcor.

Mazda exports 70% of its production and MMI only 50%. MMI thus has a higher market share, particularly in commercials in Japan than Mazda.

Mazda is bigger in cars, and MMI is larger in trucks and buses.

Mazda cars have more of a sophisticated European look and are aimed at First World markets.

This probably explains why Samcor has decided to concentrate on Mazda cars and Mitsubishi commercials in SA. Samcor also offers the Ford Laser car (largely a Mazda) and Ford commercials.

South Korea

Nobody would be happier at a Ford withdrawal from SA than MMI, which would presumably inherit its commercial-vehicle sales.

Although Mazda has been disdainful about South Korea, MMI has entered a partnership with Hundai. The Korean company benefits from a weaker currency and pays workers peanuts relative to Japanese rates. It is thus exporting more than a million dirt-cheap basic cars all over the world.

One reason MMI has been slightly less successful in exporting is that the US export restraint agreement is based on 1979-1980 export numbers, a time when MMI had problems arising from Chrysler's poor performance.

Mazda has bigger, more mechanised factories, less scattered over the islands of Japan and produces fewer models.

Finally, Mazda is listed on the Tokyo Stock Exchange. Mitsubishi Motor Industries, owned 50% by Mitsubishi Heavy Industries, 25% by Chrysler, 5% by banks and 21% by Mitsubishi Heavy Industries, is about to be listed.

Toyota says car industry in SA fighting for survival

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17/10/85 STAR

Toyota SA's vice-chairman Mr Bert Wessels has defended the motor industry's recent price increases.

Reacting to statements by Consumer Council director Mr Jan Cronje that car price increases were excessive and could lead to a further slump in the industry, Mr Wessels said: "We are not combating decreasing demand by increasing prices, we are trying to ensure the survival of the motor industry in this country."

Mr Cronje claimed vehicle price increases did not agree with economic principles. Mr Wessels said the Consumer Council was not *au fait* with motor manufacturers' financial situations.

Mr Wessels said his company had absorbed more than half the increased costs of imported components caused by the weak rand.

"On January 1 1984 the rand was worth 187 yen. Today it is 68 yen. This phenomenal drop has meant that the cost of imported content — half the value of a car — has trebled," he said.

The price of a Japanese-sourced car in South Africa should have risen by 150 percent, even ignoring the local inflation rate of about 40 percent. The real price increase was just over 90 percent, Mr Wessels said.

Mr Cronje had criticised the motor industry for flooding the small local market with 215 models but Mr Wessels said his company had constantly tried to contain costs and inhibit price increases and had succeeded to a large degree by increasing productivity and rationalising model ranges.

n/p — not provided n/a — not applicable

SUNDAY TIMES 9/11/86

Toyota sights set on 30% market share

By Don Robertson

ALTHOUGH the motor industry awaits October sales figures with the performance of General Motors in mind, South African-owned Toyota predicts it will take a record 30% share of the market for the year.

GM's withdrawal was announced on October 20, leaving 11 selling days in that month. Because of considerable confusion surrounding the pull-out, it is forecast that GM sales dived and that the launch of the Monza might be in jeodardy.

The strike at the Port Elizabeth plant aggravated the position.

However, there is a belief that once the details of the management buy-out have been released, and the SA management team is in control, patriotic buying may lift sales.

The SA tag has worked for Toyota, which has 29,8% share of the market for the first nine months of the year.

Although executives are reluctant to make firm forecasts for the year, they seem confident they can take 30% of the market.

Toyota won the leadership race in 1980 and has not only held on to it, but has raised its share of the market every year by heading the car and commercial-vehicle sectors.

The success was spawned by the Corolla, launched in 1975, and followed by the the Cressida, which holds third position in sales this year and is top in the medium-car sector.

These two vehicles hold 26,1% of the car market this year compared with 23,9% last year.

In the light-commercial vehicle (LCV) market, the one-ton Hilux range has spearheaded Toyota's 40% share of this market. The one-tonner has been a best seller for 15 years and holds 24% of the LCV market.

The 2,4l diesel has 55,4% of the diesel market, and the Hilux 4x4 and 4x4 double cab have 43% of four-wheel-drive sales.

In medium commercials, the Dyna truck has helped Toyota to secure a 30,3% share of a market which has fallen 11% this year.

In heavies, the Hino has increased its share to 16,6% — up 4,3% on last year in spite of a sharp decline in this market.

Japanese firm eyes Kodak's gap

11/12/86 BUSDAY

Industrial Staff

A JAPANESE manufacturer hopes to fill the gap for audiovisual equipment after Kodak withdraws from SA.

Elmo is supplying Kodak-compatible 16mm movie cameras and 35mm slide projectors to ETA Audiovisual.

ETA MD Brian Blows says his company has marketed Kodak equipment for 15 years.

"We have enough Kodak spares to last five years. After Kodak decided to withdraw, it offered to supply some equipment to us at up to 25% discount until April next year. But we are a South African company and believe Kodak's decision was wrong. On principle, we will sell Kodak equipment only to customers who insist on it."

Hitachi, BASF come under attack in US

NEW YORK — A group of United States trade unions and anti-apartheid groups led by the Rev Jesse Jackson has called on the Hitachi and BASF companies to halt sales of computers to South Africa, a spokesman for the group said.

In a letter just released, the group charged that the sales by the Japanese computer maker and West Germany's BASF, its principle distributor of computer mainframes to South Africa, might violate new American economic sanctions against Pretoria.

Officials from Hitachi and BASF were not immediately available for comment.

FULL INVESTIGATION

The letter also called for an investigation into charges that Hitachi was selling computer products to South African police.

Randall Robinson, executive director of the Washington-based anti-apartheid group TransAfrica, one of 16 groups that signed the letter, said in a statement: "We want a full investigation of the reports of Hitachi computer products being sold to the South African police. This could violate US, Japanese and West German sanctions." — Sapa-Reuter.

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By order of the board
J. MILNE
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Japanese giant expands SA links

66 5/2/87 B/Day

C.ITOH, the giant Japanese trading conglomerate ranked among the world's largest corporations, is expanding its trading links with SA.

The company, which is already well established in SA as a supplier of heavy engineering equipment, is entering the highly competitive SA minicomputer market.

CIE Systems, the computer wing of C.Itoh Electronics, has appointed the National Computer Co (NCC) sole distributor of C.Itoh minicomputers and IBM-compatible terminals in Southern Africa.

NCC already markets Pertec minicomputers, about 600 of which have been sold in SA over the past six years. The C.Itoh and Pertec divisions are to operate independently.

NCC group MD Terry Burns says his company will offer complete C.Itoh solutions.

It will source C.Itoh printers and display terminals on an advantageous direct supply basis through SAPEC, the Reunert Information Systems subsidiary which distributes C.Itoh peripherals in SA.

C.Itoh's mini and superminicomputer systems have been developed over the past six years as mid-range multi-user systems for the business and public sector markets.

In the past two years the company has made massive inroads into the Pick operating system arena — an achievement which NCC expects to be repeated in Southern Africa.

"The equipment has been designed to implement the full powers of the 16 MHz 68020 CPU (central processing unit)," says a spokesman.

"It runs both the Unix and Pick operating systems and we'll be supporting both here. Pick is where the majority of our expertise lies. Third parties will be supplying the Unix expertise."

Pick-based software is claimed to be far simpler to work with than most other software products.

"It's ideal for the business which doesn't want or need a sophisticated DP department, yet does need sophisticated computing power," says the spokesman.

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Unisys micro prod
manager Jack Free

Software launched

GBS has launched what it claims is the first comprehensive integrated office automation (OA) software for Unix-based systems in SA.

Written exclusively for the GBS 500 and GBS 600 range of minicomputers, GBS Officepower combines word processing, electronic mail, diary management, graphics, financial accounting and modelling, and integrated databases.

New GBS range product manager, David Jones, says Officepower

Conference to address action against sanctions

ACTIONS that companies should be taking to counter sanctions, disinvestment and the growing pressures in supplier countries to deny new technology to SA, are among topics to be discussed at the *Computer Mail* Conference on Computers in Business being held in Johannesburg next month.

The conference, to be held at the Carlton Hotel on March 17, will focus on the latest trends and outlook.

It will be addressed by top overseas and local experts in information systems strategies.

Eight speakers who have confirmed that they will attend are:

☐ Minister of Economic Affairs and Technology, Danie Steyn;

logy, Serge Beauregard;

☐ Art Benjamin, a leading Canad computer consultant;

☐ SPL group MD, Lewis Folb;

☐ University of Pretoria Dean of E neering, Professor Louis van Biljon;

☐ University of the Witwatersrand D of Business Administration, Profe Andy Andrews;

☐ Old Mutual GM (services), Ralph seman;

☐ Barclays Bank GM, information s tems division, Mike Jarvis.

The conference fee is R300 per de gate or R250 if more than three de gates attend from one company.

Telephone Audry Golden at (011) 7262 for further information and bo ing

Gentle warning to Japan on SA

CAPE TIMES 24/4/87

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From SIMON BARBER

WASHINGTON. — The Reagan administration is not directly pushing Japan to stop taking commercial advantage of US corporate withdrawals from SA, officials insisted here yesterday, but as one put it "there is some writing on the wall".

Japanese sources allege that the decision by two Japanese firms, Fuji and Konishoroku, to curtail their exports to SA was the result of US pressure on Tokyo in the course of the current trade dispute between the US and Japan.

US companies still in SA have been angered by their Japanese counterparts' readiness to exploit anti-American feelings generated by divestment and sanctions to increase market share.

The threat of retaliation does exist, but it has yet to be used.

Under the comprehensive Anti-Apartheid Act, the president is entitled — but not required — to penalize countries whose companies take advantage of US sanctions and export-licensing requirements.

US officials say that while they have not directly threatened Japan and other nations reaping the benfits of sanction and divestment, they have made it clear they would prefer these nations to adopt similar export restrictions and licensing requirements.

Cape Times
1/5/87 66

Boesak blames Japanese

TOKYO. — The Rev Allan Boesak said yesterday that many South Africans believe Japanese companies are blunting the impact of economic sanctions by grabbing the business left behind by firms pulling out of the country.

He arrived in Japan for a five-day visit sponsored by 35 church, union and activist groups.

"The sad truth is that Japan today counts among the main supporters of the South African government and the apartheid system — in spite of the verbal denunciation of the apartheid system that we hear so often," he said.

Dr Boesak said: "Japanese businesses also have the tendency, whenever, for instance, a company from the United States withdraws from South Africa, to step into that void," he said.

He said Japan should step up economic, political and diplomatic pressure on South Africa without waiting for Europe and the US. — Sapa-AP

(66) 8/day 4/9/87

September 4 1987

Relations 'can never be severed'

Japan-SA trade ties vital to both — businessman

A JAPANESE business leader, in a rare public expression of support for continued economic links with SA, yesterday pledged that Japanese firms would try to keep strong ties despite sanctions imposed by Tokyo.

Yashuji Akagawa, chairman of the Nippon Club of South Africa, said the Japanese-SA economic partnership was vital to both sides and "these trade relations between the two countries can never be severed".

The businessman was quoted in the latest edition of the club's newsletter, called Springbok, circulated to Japanese businessmen in SA.

Japan is close to overtaking the US as SA's biggest trading partner, and Akagawa predicted Japanese-SA trade was likely to increase this year if Tokyo did not tighten sanctions.

Japanese businessmen in SA privately often support strong economic relations with SA, but are reluctant to comment openly.

Akagawa, head of the SA unit of giant Marubeni Corp, said sanctions had so far not greatly damaged Japanese business activities in SA.

"Sanction packages imposed by the Japanese government have chiefly hurt a very narrow range of imports from South Africa because so far sanctions have been highly selective."

While urging Pretoria to end apartheid, Akagawa said: "We Japanese living in South Africa will continuously try to maintain trade relations in spite of various difficulties within the scope of the sanctions package imposed by our government."

Akagawa warned that the business climate in SA for the nearly 700 Japanese living in the country — officially classified as "honorary whites" — was growing cloudy.

"However, it cannot be denied that trade with South Africa is a vital need for Japan, particularly in the supply of strategic commodities."

Japan's trade with SA last year rose 25% to a record $3,6bn. — Reuter.

66 WMML OCT 30 - NOV 5 1987

Political hands-off, trade come-on from Japan

Weekly Mail Reporter

HAVING overtaken the United States as South Africa's major trading partner, Japan is trying to stop its major trading companies undermining sanctions, according to an report in Tokyo's *Asahi Evening News*.

Japan's two-way trade with South Africa so far this year is about $3,1-billion (R6,2-billion), according to a report this week. US two-way trade for the same period has been estimated at $2,5-billion (R5-billion).

In 1986, the US trade with South Africa totalled $3,63-billion, (R7,26-billion) according to US Department of Commerce figures, while Japan lagged only slightly behind this, trading $3,60-billion (R7,2-billion) worth of goods with South Africa.

Additional sanctions imposed by Japan last year have had an effect in that trade with South Africa has declined in yen terms, the *Asahi Evening News* says, but it has increased in dollar terms because of the rise in the value of the yen.

"This is not good news for us because the foreign ministry has been objecting strongly to apartheid," the newspaper reports an unnamed foreign ministry official as saying.

When it became apparent earlier this year that Japan's trade with South Africa might surpass that of the US, the government sent "warning" letters to Japan's major trading companies asking them not to undermine sanctions issued by the US and Western Europe.

But the government does not have much leverage, says the official. "We don't have comprehensive economic sanctions, so companies are free to do economic activity."

Sanctions already imposed by Japan restrict imports of South African iron, steel and Krugerrands, as well as exports of computers to law enforcement agencies and direct investments in South Africa. The official quoted by *Asahi Evening News* denied rumours that any additional sanctions were planned.

However, the newspaper reports, government lobbying to lower the profile of Japan-SA economic relations has had some effect. In March, during the first visit to Japan by the ANC's Oliver Tambo, two photographic film manufacturers announced they planned to reduce their presence in South Africa — Konishiroku Photo Industry Co and Fuji Photo Film Co. And electronics giant Hitachi Ltd has said it will limit computer sales to the 1986 level.

But, says the newspaper "neither these moves nor the fact that Prime Minister Yasuhiro Nakasone is the only leader of a major South Africa trading partner to meet with the ANC's Tambo ... have been able to offset the bloating trade figures or the business community's overt zeal for trade with South Africa."

Yasuji Akagawa, chairman of the Nippon Club of South Africa, has argued that South African strategic commodities are vital for Japan. However, the foreign ministry official told *Asahi Evening News* that while Japan is heavily dependent on South Africa for rare metals essential to Japan's high-tech industries, "most trade items are not vital" and could be imported from other sources.

Japan's chief imports from South Africa are coal and other raw materials, while its exports include automobiles, machinery and consumer goods. South Africa accounts for about one percent of Japan's foreign trade.

The news that Japan's trade with SA has overtaken the USA's comes from the Reagan administration, which simultaneously rejected calls in the US Congress to pressure Tokyo into reducing its trade.

INT VENTURE
NGINEERED'

MICK COLLINS

venture agreement has ered into between three ing companies — Genrec taco Consolidated Invest- d Davy SA — to under- scale contracts for SA

nt venture, called Da- racting, will be run by a ent team drawn from he three companies. atement at the weekend of the three companies, Ian Colepeper said the of the venture was to ajor process projects, he Mossel Bay onshore nd offshore platforms, synfuel projects.

Japan 'under pressure on SA'

23/11/83

AS THE world's number-one trader, Japan was finding it increasingly difficult to keep its political and economic attitudes to SA separate and this should realised here, PFP leader Colin Eglin said yesterday.

He was speaking at Jan Smuts Airport after his return from a two-week guest tour of China and a week's stay in Japan.

"(Japan) is now in the world's spotlight as a trader and pressures on it to fall in with the sanctions line are increasing," he said.

Although Communist China made no bones about its opposition to apartheid and its support of moves to eliminate it, its "high profile" in Africa during the 1960's had waned, Eglin said. — Sapa.

66 BDay

Lobby in Japan for more sanctions on SA

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The Star's Foreign News Service STAR 26/1/88

TOKYO — Embarrassed by Japan's rise to the position of leading trader with South Africa, some bureaucrats are pressing for stronger sanctions against Pretoria.

Depite sanctions that go further than those of some Western countries, Japan's trade with South Africa keeps on improving.

This has frustrated some sections of the Foreign Ministry keen to see Japan play a more active, moralistic role in world affairs.

Hints of the behind-the-scenes struggle — between the Ministry of International Trade and Industry (MITI) and the business sector on one side and those more concerned with Japan's international image on the other — are emerging in the wake of last year's two-way trade of R8,3 billion, which put Japan ahead of the United States for the second year running.

A European diplomat said: "Japan could stop its companies filling the gaps left by other countries in trade with South Africa by administrative guidance (issuing unwritten but strong government instructions).

"The problem is MITI issues those and it doesn't see things as the Foreign Ministry does."

Far from seeking sanctions, MITI and many of the big corporations see South Africa as the best profit-earner on the African continent.

MITI sees no need to consider any change, according to a spokesman, "unless the developed countries change their attitude".

DIFFERING APPROACHES

And there are differing approaches within the Foreign Ministry itself. According to diplomats, some bureaucrats here adhere to the Thatcherite view that sanctions "would do more harm than good".

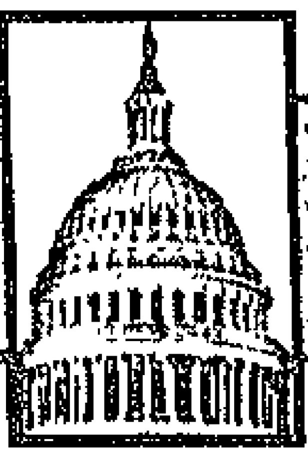
However, other elements want more decisive action and resent the fact that some Japanese businessmen are flattered by the "honorary white" tag accorded to Japanese by the South African Government.

Said one government official: "I think the Japanese should be more vocal on the issue."

But apart from a small anti-apartheid office, the Japanese Government and business face no noticeable pressure to change the policy which already bans direct investment, sales of high-tech equipment to bodies and organisations enforcing apartheid, tourist visits, direct flights between the two countries and which keeps diplomatic relations at consular level.

Let the sanctioneers bake their low-velocity meringue

CAPE TIMES 2/2/88



Washington Letter
by SIMON BARBER

QUITE honestly, it is impossible to predict what extra torments the US Congress will inflict on South Africa this year, but I think we can safely say that Ambassador Piet Koornhof's current goal of avoiding any new legislation by the primary elections on March 8 will be met.

Alas, seeing that Congress will not be much in session before then, this is something of a straw man.

The Dellums total-except-if-it-hurts-us isolation bill is high on the usual suspects' agenda, as is a poisonous little numero designed to kick oil companies. Secondary boycotts are also climbing the hit parade, with Japan, SA's new No 1 trading partner, as the principal focus.

To understand what joy Japan's latest trade figures are giving the sanctioneers, you only have to recall the scene of nine congressmen assaulting a small Toshiba radio with sledgehammers on the steps of the Capitol last year. The radio may have bought it, but thanks to Japan's $58-b trade surplus with the US, the yellow-peril theme is going to play and play.

And the truth is, the sanctioneers have run out of fun things to do directly to SA.

In the first nine months of 1987, the value of US imports from SA totalled $974 m (R1 948 m). Of that, $530 m was for platinum and platinum-group metals (up from $496 m for the same period in 1986), and $99 mn was for ferro-alloys.

IN other words, nearly 70% of what remains to be embargoed is of a "strategic" or "critical" nature, and exempted even by Dellums. Ergo, if Congress wants to expand its bullying of SA, and does not want to enrich the Soviet Union at the expense of its own industrial and defence base, it is going to have to find other targets.

Section 402 of the Comprehensive Anti-Apartheid Act (CAAA) adumbrates the approach: "The President is authorized to limit the importation into the US of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition against any national of US imposed by or under this Act."

The congressional black caucus and Congressman Howard Wolpe's cretinous House Africa subcommittee are discussing this in stage whispers, hoping to scare any American ally who declines to follow America's "moral leadership". Fortunately, low-velocity meringue is not a particularly frightening weapon. Section 402 is low-velocity meringue.

To give it a little boost, Wolpe commissioned the General Accounting office to do a study of SA's international trade. Its is due out shortly, and however disappointing its conclusions, the worthy member for Kalamazoo is up to the task of making the thing sensational.

SOPHISTRY is needed to prove that Japan, or almost anyone else for that matter, has taken advantage of the Act. Advantage presumably means increased market share in, rather than volume of, exports from SA.

The fact the Japanese purchased $1,6 b (R3,2 b) worth of coal from SA last year — if indeed the figure cited by Senator Paul Simon is a fact — would not seem to constitute an advantage. A disadvantage for West Virginia's impoverished miners, you might tendentiously argue, but not a definite, Act-related plus for the mighty Ministry for International Trade and Investment.

As it happens, everything that Japan sells to SA — car assemblies, cameras, VCRs, industrial equipment, computers — American companies remain at liberty to sell also, except, in certain instances, when the government is the customer. In those instances Japan has much the same restrictions, and, unlike the US, it bans direct investment outright.

American exports to SA were up more than 6% last year over 1986 and, thanks to the CAAA's various embargoes, trade between the two countries is now in almost perfect equilibrium, with SA showing a very modest surplus of some $110 m (R220 m) at the end of November, less than a tenth of what it was the year before. Perhaps Congress should penalize *itself* for taking advantage.

In only one of the Commerce Department's 10 major export categories has there been a significant drop in sales. Exports of mineral fuels and lubricants plummeted to $9,5 m between January and December this year from $24 m over the same period in 1986. This can be attributed to the Act's petroleum-products ban and was more than made up for by increased sales of machinery and transport equipment ($397 m to $424 m) and chemicals ($170 m to $186 m).

THE point remains that if American companies are losing market share in SA, it cannot be ascribed to any particular provision in the CAAA. Japan may have benefited from the atmosphere created by the law, but the word "atmosphere" does not appear in section 402 Nor is there any mention of the rising value of the yen, perhaps the most important factor in Japan's new No 1 status.

Also unmentioned are the growing array of state and local ordinances penalizing business ties to SA. Kyoto does not threaten to boycott Toyota because there are Toyotas on SA's streets. It leaves that kind of loopiness to the pharisees of Los Angeles and San Francisco

Obviously, if the sanctioneers want to have a crack at Japan they will need to come up with language more convincing, not to say mandatory, than section 402 I sincerely wish them luck in getting something exquisitely vicious onto the statute books. I do so because it is my fondest hope that Messrs Wolpe, Dellums and the gang will finally manage to pull off an act of such awe-inspiring idiocy that the entire country will have to suffer.

Giving the protectionists extra ammunition to thug up Japan would be an excellent step in this direction. Let's have some truly stiff quotas on Japanese cars, I say, and prohibitive tarriffs on Japanese steel and electronics and a total embargo on the Japanese microchips that have made the US boom in personal computers possible.

Let's make enemies of the world's biggest creditor nation and most successful industrial power. Really punish those little yellow men for daring to take advantage in SA.

Here is one prediction of the outcome, courtesy of George Packard, dean of the School of Advanced International Studies at Johns Hokpins University

"This would lead to retaliation, recrimination and a search for different partnerships. Each side would seek to gain technological advantage in a zero-sum game. Industrial espionage would run rampant.

"Japan would turn to markets and raw materials from the Chinese and Soviets. Japan would find it necessary to protect a widening economic sphere in Asia and the Pacific, placing it in direct confrontation with the US and upsetting the balance of power."

A more reasonable approach would be to encourage the Japanese to invest some of their surpluses in black business development, education and helping workers leverage ownership-stakes in their employers' companies — in short, just the sorts of things that the Dellums brigade despises But that would be constructive, wouldn't it? — and, therefore, hopeless

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JAPAN IN 'TROUBLE' OVER SA

Sowetan 29/2/88

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SOWETAN Foreign Service

WASHINGTON — **Black congressmen are trying to turn the heat on Japan's prime minister, Mr Noboru Takeshita, to end his country's trade with South Africa.**

". . . Economic isolation can only hasten the demise of apartheid," congressman Mervyn Dymally, chairman of the Congressional Black Caucus representing America's 23 black congressmen, wrote to Mr Takeshita.

The letter was delivered to the Japanese Embassy in response to reports recently in US newspapers that Japan had last year become South Africa's leading trading partner. The reports said the Tokyo government was "very much worried and embarrassed" by that position.

Japanese foreign minister Sosuke Uno was scheduled to meet business leaders in Tokyo to request greater restraint of the corporations in their trade with South Africa.

Mr Dymally pointedly noted the interest of Black America in the apartheid issue. US blacks, he said, represented a consumer entity with purchasing power "greater than the gross national product of the ninth largest nation in the world".

Blight

The caucus stopped short, however, of actually threatening Mr Takeshita with a black American consumer boycott of Japanese products if he did not comply.

Mr Dymally said the caucus felt all nations doing business with the South African Government were themselves prolonging oppression of South Africa's black millions.

"Your leadership and that of other heads of state is crucial to erasing the blight of apartheid from the face of the earth," the letter told Mr Takeshita.

The US law imposing economic sanctions against South Africa, the comprehensive anti-apartheid Act of 1986, had established "what we view as a floor below which nations of conscience must not fall, despite the clear and present pressures of private enterprise," he said.

Claims 'false'

THE South African Defence Force has dismissed the Angolan claims of three shot down Mirages as "wild claims and blatant propaganda" and called the report "untrue."

In a statement the

Japan is quietly ditching SA to woo black Africa

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3/3/88

□ TAKESHITA . . . "resolute action"

WILLIE STERN/Business Day special correspondent in Tokyo

THE REAL story behind Japan's public embarrassment over becoming South Africa's largest trade partner is not, as has been widely reported, fear of reprisals from a protectionist-minded US Congress.

Nor is it, as the Japanese Foreign Ministry public relations machine has gone to great lengths to try to have us believe, out of a sincere concern about the evils of apartheid or the plight of blacks in SA.

Well-placed diplomatic sources here explain the recent moves from Tokyo to downplay Japan's business ties with SA are part of a Japanese policy — initiated in late 1986 — to court friends in black Africa. (Last year, Japanese trade with SA jumped 19% over 1986 to US$4,27bn, as Japan vaulted past the US to become SA's top trading partner.)

Japan's strategists, looking forward 20 to 30 years, predict a gradual realignment of world powers, with the US slipping and Japan quickly moving forward.

With this as background, the Japanese government sees the 50-odd black countries on the African continent as an invaluable potential source of support in the international political arena.

Japan first became aware of its "Africa problem" when it tried to become a non-permanent member in the United Nations Security Council in late 1986.

Because of a lack of support from black African nations — who perceived Japan to be an overt supporter of Pretoria's racism — Japan almost had its effort to win a much-coveted seat blocked.

Soon thereafter, the Japanese Foreign Ministry launched a campaign to curry favour with black Africa. But Foreign Ministry officials found themselves at loggerheads with the Ministry of International Trade and Industry (MITI), whose primary interest was in securing trade — and profits — for Japanese firms. (Japanese reliance on SA for crucial raw materials, like platinum, chrome, ferrochrome and vanadium, also played a role.)

This governmental in-fighting reached a peak in late February, when an official in the Japanese Foreign Ministry in Tokyo called in correspondents from the New York Times and the Washington Post and complained that the reason for the increased trade was collusion between major Japanese corporations and "much of the government, including the Prime Minister and ruling party".

High-placed diplomatic sources here say the story was leaked to influential US newspapers primarily to embarrass MITI.

The reports filed by the US correspondents had just the effect the Japanese Foreign Ministry wanted. Influential members of the US House of Representatives Foreign Affairs Committee joined with the Black Congressional Caucus in Washington in threatening to punish Japan for widening trade links with SA. Now MITI is mulling over closing its official trade office in Johannesburg.

Meanwhile, a look at Japan's interaction with anti-apartheid leaders since 1986 reveals a consistent effort by the Japanese Foreign Ministry to show that Japan has "its heart in the right place" vis-a-vis black Africa.

The last time Japan undertook a wooing of this nature was immediately after the oil shock of the early Seventies, when Japanese diplomats were climbing over each other to kowtow to Arab leaders.

A FEW HIGHLIGHTS:

□ In late February, the Japanese Foreign Ministry invited the chairman of the Soweto Civic Association, Dr Nthato Motlana, to Tokyo and hosted a dinner in his honour.

Some two dozen black African ambassadors attended the function, as did senior members of the Liberal Democratic Party (LDP) and top business executives.

At the affair, a Foreign Ministry spokesman went to great lengths to "elaborate" on Japan's position, and alluded to a recent statement from Prime Minister Noboru Takeshita that Japan will take "resolute action" to work towards the abolishing of apartheid.

□ Sources in the Japanese Foreign Ministry now admit that Japan is making strides to polish its image in the black Africa community before a June summit meeting of the seven industrialised nations in Toronto, when sanctions against SA are sure to be discussed.

□ The Japanese Foreign Ministry in April last year invited ANC leader Oliver Tambo to Tokyo. Soon thereafter, videotapes of Tambo's visit were distributed by Japanese diplomats throughout black Africa.

□ Nobel Prize winner Archbishop Desmond Tutu came to Japan of his own accord and, lo and behold, found himself being wined and dined by top Japanese officials.

(Conspicuous through his absence has been Zulu Chief Minister Mangosuthu Buthelezi, who has become *persona non grata* with black ambassadors here.)

□ The Foreign Ministry is understood to be playing an active behind-the-scenes role in an effort to open an ANC office in Tokyo.

In late February, the government organised a showing here of the anti-apartheid film "Cry Freedom" for black African diplomats, and encouraged leading politicians from the full range of Japanese political parties to attend.

□ Black African nations are having terrible financial problems maintaining embassies in Tokyo because of the spiralling value of the yen and the high cost of office space in Tokyo.

In an unprecedented move, government is understood to be looking at helping to defray their costs through subsidies.

□ The Foreign Ministry recently organised in Tokyo a soccer match between black African diplomats and key members of the ruling LDP. Proving that the Japanese have mastered the fine art of diplomacy, the Africans won 4-0.

What does it all mean?

If nothing else, both the Foreign Ministry and MITI have vested interests in Japan's future. The former is looking after Japan's political interests while the latter is chasing the bottom line — profits.

Yet both groups — as is indicative of all Japanese institutions — are fully capable of moral posturing in the political arena to suit their own needs.

And you can bet your last rand that Japan is looking out for Japan's interests — not just first and foremost, but the full 100%.

Japan warned about SA trade

66

SIMON BARBER

WASHINGTON — Black Americans may boycott Japanese products unless Japan changes its SA trade policy, congressional black caucus chairman Mervyn Dymally has warned Japan's Prime Minister Noboru Takeshita.

The caucus is also threatening to push for new restrictions on Japanese imports as part of the omnibus trade Bill now pending in a House-Senate conference committee.

In a February 22 letter to Takeshita, Dymally said that, as SA's largest trading partner, Japan was "culpable of an act which prolongs the oppression and suffering of millions of black Africans".

The Congressman said black Americans formed "a consumer entity which holds a purchasing power greater than the gross national product of the ninth largest nation in the world".

"Economic isolation can only hasten the demise of apartheid and is a policy which the majority population has embraced as a necessary sacrifice to create an environment which will not play host

B/day 3/3/88

● To Page 2

Congressman warns Japan about SA trade

66 B/day 3/3/88.

● From Page 1

to the wilful atrocities of the Botha regime.

"My colleagues and I hope you will respond quickly and we look forward to discussing this and other critical issues with you in the near future," he said.

The Comprehensive Anti-Apartheid Act authorises, but does not require, the President to penalise countries that "take commercial advantage" of the sanctions contained in the Act.

Administration officials insist that it is impossible to prove that Japan has taken advantage of any specific measure in the Act.

In Nairobi, Archbishop Desmond Tutu appealed to Western countries yesterday to break off diplomatic relations with Pretoria until it cancels the ban it imposed on 17 anti-apartheid groups last week, reports Sapa-Reuter.

The archbishop told a news conference in Nairobi the West should also insist that SA lift the state of emergency and release or try detainees as conditions for resuming relations. "That ought to represent the very least the West can seek to do," he added.

Tutu, in Kenya to chair a meeting of the All Africa Conference of Churches, said he was not withdrawing his support for economic sanctions against SA, but was proposing the diplomatic break as a minimal alternative.

... is satisfied with increased surplus

B/day

Japanese set to pull plug on SA

Star 5/3/88

(66)

TOKYO — Several major Japanese electronics manufacturers, including Pioneer, NEC and Fujitsu, will end sales to South Africa following a Japanese government request that companies limit their economic activities in the country, officials said yesterday.

Japanese Foreign Minister Sosuke Uno last week asked members of the Federation of Economic Organisations, an influential business group, to practice "self-restraint" in trade with South Africa to avoid resentment from countries opposed to apartheid.

Pioneer has decided to stop selling its products to South Africa after current contracts are fulfilled, said Mr Kinro Shimizu, a company spokesman. He said Pioneer's sales of car stereos and small-sized stereo systems to South Africa had already declined from about R110 million in 1980 to about R14 million last year.

NEC will end its sales of televisions, videotape recorders and facsimile machines to South Africa, a company official said. NEC would continue to sell only spare parts for equipment sold in the past, he said.

Fujitsu had asked its European subsidiary to stop selling computer printers to South Africa, thereby ending its sales to the country, a company official said.

● To Page 2

Japanese pulling out

(66)

● From Page 1

Star 5/3/88

However, Hitachi said it would continue to supply computer central processing units and disk drives to a West German company that produces computers sold in South Africa and elsewhere.

"But we believe that sales of the computers to South Africa will be substantially less this year than last year," said a Hitachi official.

He said Hitachi had an agreement with the West German company prohibiting sales to South Africa from violating a Japanese government ban on sales of computers that might be used to enforce apartheid.

Tokyo also prohibits all direct investment by Japanese companies in South Africa, bans imports of South African iron and steel, and limits cultural, sports and tourism exchanges.

In 1987, Japan's trade with South Africa rose by 19 percent to $4,27 billion (about R9 billion), making it South Africa's largest trading partner.

Japanese officials say much of the increase was due to the rise in the yen. — Sapa-AP.

BUSINESS

DIP 11/3/88

Mitsubishi exports to S Africa to continue

66

Daily Dispatch Correspondent

JOHANNESBURG — Mitsubishi Motors Corporation said yesterday it had no plans to halt exports to South Africa but would make case-by-case decisions about exports to this country in line with policy changes in the industry as a whole.

Industry sources said the Japanese statement referred to the complete knock down (CKD) kits which are shipped in cases to South Africa, assembled and sold under the Mitsubishi brand.

A Reuter report filed from Tokyo said Mitsubishi could stop exports to South Africa because of mounting foreign criticism of Japan as Pretoria's largest trading partner.

Much of the criticism has focused on the automobile industry.

However a spokesman for local Mitsubshi agents, South African Motor Corporation (Samcor), said: "We've not been notified of any limit on any order placing."

An assistant managing director, Mr Tom Williamson, said: "We will continue to place orders and receive shipments on a normal basis."

Mitsubishi CKD exports to South Africa were 4 700 in 1985, 4 400 in 1986 and 5 300 in 1987.

Last week the Toyota Motor Corporation in Japan said it would "act prudently" with regard to its South African exports, while Nissan said it was considering export limits.

The Reuter report said a Japanese computer maker, Hitachi, said it had agreed with a West German firm, Comparex, to limit exports of computer parts it supplies to Comparex for assembly and sale to South Africa.

The Japanese Ministry of International Trade and Industry (Miti) has been asking major industries through the Federation of Economic Organisation (Keidanren) to restrain exports to South Africa folowing pressure from the foreign ministry.

But a Keidanren official said that Japanese business leaders had asked the government to come up with concrete rules or criteria restricting exports to South Africa.

SA negotiating Japanese coal contracts

REINIE BOOYSEN

JAPANESE coal contracts for 1988 — worth about R500m — are being negotiated by a high-powered SA delegation of coal industry representatives in Japan.

The top SA representatives include Transvaal Coal Owners' Association MD Les Weiss, Rand Mines coal division deputy chairman Alan Cooke, Anglo American Coal Corporation MD David Rankin and Gencor coal division chief executive officer Graham Thompson.

Growing international criticism of Japan's role as SA's foremost trading partner has nurtured fears that the SA coal industry will be damaged further by a reduction in Japanese coal imports from SA.

Sources say the SA delegation will present Japanese customers with a united front in an effort to end the cut-throat undercutting of prices which sent coal prices spiralling down after the introduction of sanctions by the US, France and Denmark two years ago.

"There was no reason for SA coal producers to accept prices at the beginning of last year as low as $23/ton of steam coal. Make no mistake, they need our coal," says one analyst.

Towards the end of last year, coal prices firmed to about $28/ton, and analysts say the SA representatives could return with prices in excess of $30/ton.

According to provisional figures from the Chamber of Mines, SA coal exports fell by 6,5-million tons in 1987 to 39-million tons, largely because of sanctions. This resulted in a R1,3bn loss in foreign earnings for SA, according to

● To Page 2

SA negotiating Japanese coal contracts

● From Page 1

Anglo American Coal Corporation chairman Graham Boustred.

At this time last year, SA producers were facing an appreciating rand, the effects of sanctions and threatened union action.

These problems were compounded by a worldwide over-supply in coal which put pressure on spot market prices, where many SA producers sold their coal after the introduction of sanctions.

However, the scenario this year is somewhat different. The stronger yen-/dollar exchange rate will sweeten SA demands for a higher dollar price of coal to the extent that Japanese consumers may even pay less yen for the same amount of coal, while paying more dollars.

A weaker rand/dollar exchange rate will, in turn, raise the rand price of coal received by SA producers.

Another important bargaining chip in the hands of SA negotiators is the reliability of SA coal supplies. In contrast China is battling to meet its contracted deliveries, while the Australian coal industry has been hit by strikes.

Although analysts do not expect any growth in volume, they do expect higher prices to be negotiated. Higher Japanese prices will put upward pressure on the prices negotiated with other SA clients, say analysts.

(66) B/day.

D/O 16/3/88

Japan to monitor trade with SA

66

TOKYO — Japan will monitor its booming and embarrassing trade links with South Africa, but officials differ about ways to keep them from growing further.

"We have agreed to watch the trend carefully for a while," an official at the Ministry of International Trade and Industry (MITI) said yesterday.

The Foreign Ministry is embarrassed over Japan's status as the largest trading partner of South Africa.

The ministry has been urging business groups to show restraint, and the Foreign Minister, Mr Sosuke Uno, will renew that plea today in talks with the Japan Committee for Economic Development.

MITI says existing Japanese government sanctions, including a ban on direct investment in South Africa and on bank loans and weapons sales, are enough.

A small but growing number of Japanese companies, including major car makers and computer maker Hitachi, have recently said they are considering or have decided to limit their exports to South Africa.

Earlier this month the chairman of the Japan Federation of Economic Organisations, Mr Eishiro Saito, asked the government to come up with concrete criteria for limiting exports.—Sapa-RNS

D/D 18/3/88

Japanese pledge to SA on car sales

66

TOKYO — Japanese car sales to South Africa rose in the first two months of 1988, despite declared opposition by leading carmakers to "Pretoria's apartheid policies."

Spokesmen for Toyota and Nissan, Japan's two largest car manufacturers, said they had no concrete plans to restrict exports to South Africa despite calls for restraint by the foreign ministry.

Toyota's exports of cars to South Africa rose by 36 per cent in January and February compared with a year earlier, a Toyota spokesman said.

Nissan's exports also increased but the company had no exact figures yet, a company spokesman said.

But he said: "The increase in February was rather large."

"The foreign ministry has expressed embarrassment over Japan's status as South Africa's largest trading partner.

"The foreign ministry would like to see Japanese exports decrease. But so far we have had no clear call from the government to restrain exports. They have been rather vague," said the Nissan spokesman.

Nissan and Toyota cars accounted for about 40 per cent of the total South African car market last year, he added.

Toyota, Japan's largest vehicle exporter, shipped 88 341 vehicles to South Africa last year, the Toyota spokesman said.

"If we take sanctions against South Africa, there may be the possibility of reverse sanctions on us," Nissan's spokesman said. "And nobody knows whether such sanctions will lead to democracy in South Africa or not."

He said Nissan bought some raw metals from South Africa.

Neither company has direct investments in South Africa and their trade is conducted through South African-owned companies that employ black workers, according to the spokesmen.

Both spokesmen said they deplored apartheid.

"But if we pull out then somebody else will fill our shoes," said the Toyota spokesman. — Sapa-Rns

(86) bday 18/3/88

Japan sells more vehicles to SA despite govt call

TOKYO. — Japanese car sales to SA rose in the first two months of 1988, despite declared opposition by leading manufacturers to "Pretoria's apartheid policies".

Spokesmen for Toyota and Nissan, Japan's two largest car manufacturers, said they had no concrete plans to restrict exports to SA despite Foreign Ministry calls for restraint.

Toyota's exports of car assembly kits to SA rose by 36% in January and February compared with a year earlier, a Toyota spokesman said.

Nissan's exports also increased but the company has no exact figures yet.

But a spokesman said: "The increase in February was rather large."

The Foreign Ministry has expressed embarrassment over Japan's status as SA's largest trading partner.

Nissan and Toyota cars accounted for about 40% of the total SA car market last year, Nissan's spokes man said.

Toyota, Japan's largest vehicle exporter, shipped 88 341 vehicle kits for assembly in SA last year, the Toyota spokesman said.

Both spokesmen said neither company would actively work to limit sales to SA.

"If we take sanctions against SA, there may be the possibility of reverse sanctions on us," Nissan's spokesman said. "And nobody knows whether such sanctions will lead to democracy in SA or not."

He said Nissan bought some raw materials from SA.

Neither company has direct investments in SA and their trade is conducted through SA-owned companies that employ black workers.

Both spokesman said they deplored apartheid.

"But if we pull out, then somebody else will fill our shoes," said the Toyota spokesman. — Sapa-Reuter.

DAILY DIS

D/D 24/3/84

No to R600m deal

(280) (280) (66)

JOHANNESBURG — Giant Japanese industrial corporation, Mitsubishi, has declined to bid for a R600-million high-tech contract for the revamp of a major South African steel works.

A Japanese source confirmed that a formal letter declining to tender had been sent to parastatal steel giant, Iscor, and Iscor's public relations manager, Mr Piet du Plessis, confirmed the letter had been received that Mitsubishi were withdrawing from the project.

The Japanese source said Mitsubishi, which regarded the Iscor contract as a "plum", had been forced into the decision in a bid to stave off criticism of Japan's growing trade links with South Africa.

"The whole South African trade issue is now politically sensitive. While nothing formal has been signed between Iscor and Mitsubishi, the cancellation of intent by Mitsubishi now gives Japan leverage against anti-South Africa critics," he said.

Moves by the Japanese Foreign Ministry has seen it continue to apply pressure on the Ministry of International Trade and Industry (Miti) to cut down on South African trade.

Steel industry sources said the Japanese technology would have been ideal for the Iscor application. The contract is for the uprating of Iscor's hot-strip mill at its Vanderbijlpark works.

Also understood to be under pressure are Iscor's iron ore contracts with Japan.

Iscor exported a total of about 9-million tons of iron ore last year — over 50 per cent of its total production of 16,5-million tons — and earned R285-million in foreign exchange.

The Japanese source said Iscor's iron ore contracts were still in place but the but there was the possibility that Japan could refuse to sign further contracts. — Sapa sees, ensuring that their businesses

Spur established a first in the fran- are sucessful."

27/3/88

Pioneer hangs on

By Don Robertson

PIONEER car audio and hi-fi products will continue to be sold in SA in spite of the company's decision to limit its trade with this country.

The Japanese Foreign Affairs Department, under pressure from America, recently asked companies with large trade links with SA to limit their exports.

The request could threaten the motor industry among others, although no decision has been made by Japanese motor manufacturers.

It was reported that Pioner would withdraw its products from SA by the end of the year. But Pioneer executives have told their agents, Tek Electronics, that products will continue to be supplied.

Pioneer was, however, one of the first companies to respond to a request to limit its trade with SA, reducing its exports from 1,2-billion yen in 1986 to 850-million last year. This was facilitated by the rand's devaluation in the past two years.

27/3/88

D/D 6/4/88

Honda to call back 158 000 defective cars

(66)

Daily Dispatch Reporter

EAST LONDON — Honda Motor Company of Japan will be recalling 158 000 defective Prelude passenger cars, a Japanese Transport Ministry official said yesterday.

The announcement transmitted by Sapa from the Japanese Transport Ministry revealed that Honda had decided to recall the cars because of a defective oil pressure hose in the power steering.

The public relations officer for Mercedes-Benz South Africa (MBSA), who import the cars to South Africa, Mrs Delene McFarlane, said yesterday that she had received no notification from either Honda in Japan or the MBSA technical department.

"We have imported the Honda Prelude and should the cars from that batch be faulty we would not hesitate to ask for them to be recalled," she said.

The Transport Ministry official said that of the vehicles to be recalled, 92 497 were exported, including 66 239 to the United States, 10 311 to Canada, 3 023 to Britain and the rest to nine other countries. The affected cars were produced between March 19, 1987 and March 31, 1988.

66 B/day 14/4/88.

Like the Bourbons, we forget nothing and learn nothing

KEN OWEN

A CORRESPONDENT in Tokyo reports that the Japanese television news service is livening its reports on South Africa with dramatic snippets from Sir Richard Attenborough's movie "Cry Freedom," and that the movie itself has generated immense pressure on Japanese companies to reduce trade with SA.

If Japan ever joins the sanctions campaign, the story of Steve Biko's death will have played a major part in it. It may be time to take an honest look — just for a change — at how the sanctions campaign actually works.

Local businessmen have mounted a campaign for a "martial law" — the proposal is said to be on the State President's desk — to prevent publication of commercial information that might play into the hands of the sanctioneers.

It is fairly easy to predict what will happen if the State President accedes to their request. Firstly, government's legal draftsmen will find it impossible to come up with precise definitions of what should, and what should not, be published. Confronted with a thousand loopholes, they will resort to language so wide and general as to make the law unworkable, like the Defence Act and the Police Act and the Prisons Act.

The next step — provided government does not ask Learned Stoffel Botha, our book-reading Minister of Home Affairs, to make up the rules as he goes along — will be to form liaison committees with the Press to figure out ways to circumvent the law without really breaking it.

The reason for doing so is that suppression of the news tends to have nasty side-effects. The Prisons Act is the classical example. It was intended to prevent newspapers from disclosing the disgusting treatment of prisoners at the old Johannesburg Fort, but it had the effect — after the conviction of the editor of the Rand Daily Mail — of simply putting an end to all reporting on the prisons. No newspaper was prepared to take the risk.

Whether this contributed to the death of Biko or dozens of others whose treatment in prisons and lock-ups became a State secret is a matter of speculation; some people think so. Since Biko's death the Prisons Department has become so accommodating towards the Press that, in effect, it has ceased to enforce the fierce provisions of the Prisons Act. The price of secrecy has proved to be higher than the price of openness.

A "martial law" for commercial information will have another side-effect: it will instantly create a black market for the information which can no longer be published. News which is now available for 60 cents in Business Day will still be available to those who need it, but at a price.

Indeed, some businesses will prosper under the martial Press law, especially those whose fathers or brothers occupy high positions in government. They will have quickest access to reliable information, and they will know what it is worth. After all, if you can't trust your Broeder, who can you trust?

Among less fortunate businessmen, it is fair to predict, there will be a scramble to make friends with officials, some of whom will find themselves the recipients of alarmingly attractive offers. It will be enough to test the moral fibre of the nation.

One thing, however, the martial law will not do: it will not stop sanctions.

Take the effect of "Cry Freedom" on Japan. Think back to how it all happened.

Steve Biko should not have died under interrogation. He should certainly have been protected by the law and the medical profession. He should not have been driven, dying and naked, across the length of the country. Perhaps nobody intended him to die.

But things go wrong and he did die. At that point, responsibility passed from the police and the doctors to the legal and medical authorities. If his death had been followed by the prosecution and punishment of those who caused him to die, or contributed to his dying, the sense of justice of most reasonable, civilised people would have been satisfied.

Indeed, if only Jimmy Kruger had been fired for saying "It leaves me cold," the Nationalists might have salvaged something of their moral reputation from the affair.

Instead, Kruger brazened it out, the inquest delivered a verdict that left most reasonable, civilised people stunned with disbelief, and even the medical authorities had to be dragged into court before they administered a light, reprimanding tap on the wrist. The status of neither South African justice, nor of medicine in this country, has recovered. Perhaps it never will.

Worse, government set out to suppress information about Biko's death, and when the editor of the Daily Dispatch, Donald Woods, persisted in carrying on about it he was gagged, banned and isolated. His children were subjected to cruel practical jokes. Woods eventually went into exile and wrote the book of the movie which is now driving the sanctions campaign in Japan.

The idea that SA can cover up its faults and lie its way out of trouble goes back, one supposes, to the days when Eric Louw was Foreign Minister, or even earlier. Among the first actions of the Nationalists when they came to power — among them the young P W Botha — was to appoint a Press commission that sat for 13 years without solving the problem of making SA look good while its government acted in such a beastly fashion.

The only answer that ever presents itself is to cover up, and to lie. The result, as our Washington correspondent Simon Barber observed last week, is that nobody believes our government any longer. Barend du Plessis' best after-dinner joke is: "We will stay within the Budget".

Indeed, no white South African has retained sufficient credibility abroad to challenge Archbishop Desmond Tutu's call for sanctions, not even Helen Suzman. Alan Paton, towards the end of a life of courage and honesty, was tainted by SA's mendacity and was dismissed as having strayed from the path of democracy, simply because he opposed sanctions.

President Botha, like the Bourbons, learns nothing and forgets nothing. He has recently intervened to stop the trial in Windhoek of soldiers accused of murder, while at the same time refusing to show clemency to the so-called Sharpeville Six. The juxtaposition is so irresistible for propaganda purposes that anti-apartheid movements around the world must be falling about with glee.

When fresh sanctions come, as they will do, government and business will join together to blame the newspapers, and to thump them into silence, as Jimmy Kruger tried to thump Donald Woods into silence. President Botha is not the only person in this country who, like the Bourbons, forgets nothing and learns nothing.

company to move more steels and problem alloys.

Nissan will resist pressure, says MD

Star 22/4/88

66

By Roy Cokayne

Industry rumours that the Japanese parent company of Rosslyn-based Nissan was about to reduce its stake or leave South Africa were quashed yesterday.

The rumours appear to have their origin in the fact that America might penalise Japanese companies trading in their markets that have increased their market share in South Africa following the disinvestment of an American company from the Republic.

27/4/88 (66) B/day

BUSINESS DAY, Wednesday,

Japan may expand insider-trading law

TOKYO — Japan's Finance Ministry is mulling over ways to narrow the definition of insider trading to cover abuse of information on the development of new technology and products by companies.

Among the possible changes being reviewed is the concept of making insider-trading charges applicable to individuals trading on the certainty a company will develop technologies and products that will favourably affect its business or share price performance, a ministry official said.

The approach is designed to address instances where abusers are privy to confidential information on technological or product announcements which are not available to the general public.

Another general concept involves extending the insider-trading definition to include cases where individuals trade on technology or product information if the company expects a sales increase.

But the ministry source stressed that both potential changes were still under study and had not been formally approved for enactment into law.

"These are just future changes in insider-trading laws that we're investigating," he said, declining to give an estimate on when further action could be expected.

The changes being considered are also separate from far-reaching insider-trading legislation submitted to Japan's parliament by the Finance Ministry in March. The package, expected to be passed by late spring, will make insider trading punishable as a criminal rather than civil offence. — AP-DJ.

May 5 1988

5/5/88 66 DBN 8/day

Toyota chief confident of future supplies

'Trade links secure'

MICK COLLINS

TOYOTA SA came out strongly yesterday to counter speculation that trade ties with Japan were under pressure or about to be severed.

Speaking at the Toyota AGM, chairman Albert Wessels said the US presidential election had seen renewed publicity focused on sanctions against SA and there was, inevitably, interest in Japan's attitude.

"According to information we have received from senior Japanese, and incidentally confirmed in their own media, there is definitely no indication that Japan has any intention of terminating trade with SA.

"Competing trading partners are, however, putting pressure on Japan not to expand its trade with us.

"Toyota is confident that at least the same number of units as last year will be available during this financial year."

Wessels added that as a result of the healthy economic upswing and the expected increase in vehicle sales, the company's market share could come under pressure but the Toyota board was confident profitability would be maintained.

Referring to the forthcoming retirement of Toyota CE and MD Colin Adcock at the end of next month, Wessels announced he would be replaced by the present vice-chairman Bert Wessels.

Two new MDs — Brand Pretorius (marketing) and Ralph Broadly (manufacturing) — would be appointed under him from July 1.

Adcock would remain a director for at least another term.

A final dividend of 180c was approved by the meeting. This combined with an interim dividend of 120c makes total distribution for the year 300c (1986, 100c).

Japanese trade move worries SA businessmen

Star 20/6/88

By Esmaré van der Merwe and Tim Cohen

South African businessmen are concerned about the Japanese external trade organisation's recent decision to refuse to handle trade inquiries from South African businesses.

They believe the move is politically motivated and say it will affect mainly those companies wishing to trade with Japan for the first time. Companies with established ties do not deal through the trade mission.

Japan became South Africa's largest trading partner last year when trade between the two countries increased by 15 percent to R4 122 million, according to figures from the Japanese and American consulates in South Africa.

The Japanese trade mission was instructed by its head office in Tokyo not to handle further trade inquiries, The Star has been told.

The director of the Japanese mission, Mr Kuniyasu Kobayashi, would not comment on reasons for the move.

But, he said, in future the mission would confine itself to monitoring trade in South Africa, Botswana, Lesotho and Swaziland.

Mr David Graham, senior manager of the SA Foreign Trade Organisation's foreign division, said Safto was concerned about the move.

But it was only one of a "whole range of steps" taken in the past year to reduce trade with South Africa.

Japan turns screws on SA imports

24/7/88

By Don Robertson

JAPANESE exporters are being forced to tighten the screws on South Africa and several other countries are under pressure to reassess their increasing trade links.

Pressure from the US has forced major Japanese companies to "limit" trade with SA, resulting in a cut in supplies of components and equipment.

South Korea, Taiwan and Israel will come under scrutiny at a meeting of the Commonwealth Foreign Minister's Committee on Southern Africa in Toronto on August 2 for their increasing trade with SA.

Although the emphasis has been on the supply of motor components, imports of other equipment, particularly in the telecommunications business, have been hit.

A two-week delivery backlog on telecommunications equipment has increased to seven or eight weeks, with no apparent reason. Some prices have been increased seven or eight times.

Well stocked

In addition, brand engineering has become more common and SA companies are being asked to market well-known Japanese products under their own names. Japanese suppliers are also trying to distance themselves from the SA market. In future it might be possible to buy Japanese equipment only through Brazil or Singapore, say industry sources.

Although Japanese exporters, particularly those in the motor industry, have limited component supplies to SA, sales are unlikely to be affected this year.

By 1989, the supply cut could damage sales.

Lose out

Most SA manufacturers of Japanese cars claim to have sufficient component stocks to meet any increase in demand this year. They believe that if the market increases by the expected 10%, they will be able to match requirements.

However, if component imports are held at this year's level in 1989, Japanese cars could lose out to Volkswagen and Delta.

Last year, Japanese vehicles made up 52% of total sales.

The Japanese move comes after pressure from America which is worried about growing trade between Japan and SA. Japan is now SA's largest trading partner — a position it took over from the US last year.

Estimates show that last year, SA motor-makers imported R3,3-billion worth of components from Japan.

It is feared that next year, Japanese exports could be based on value not the number of units. That would be serious for SA because of the declining rand.

Toyota Japan said this week that component deliveries in June had been sufficient to manufacture 7 342 vehicles at Toyota SA's Prospecton plant near Durban.

However, this was only 392 units fewer than in June last year. It is expected that with ample stocks on hand, Toyota SA can meet an increase in demand.

Toyota, one of the largest companies in Japan, was the first of the motor-makers to heed the American threats. It is expected, however, that others have followed.

Francois Loubser, director marketing, planning and communications at Toyota SA, says component supplies this year will be about the same as in 1987 at nearly 89 000 units.

Sufficient components will be delivered for the launch of the new Corolla this year.

Other manufacturers are reluctant to discuss their position and refuse to say whether they will be able to obtain

□ To Page 2

□ From Page 1

Japan turns the screws

components from other countries.

A spokesman for Mercedes-Benz, which also makes Honda cars, says it is business as usual and no supply problems have been experienced.

Spencer Stirling, managing director of Samcor which produces Mazda cars and bakkies, says supplies have been cut for all manufacturers of Japanese cars.

Germany is the only other supplier of components for the SA motor industry, and it is feared that the Americans will lean on it.

Delta receives its components for the Opel range from Adam Opel in Germany — a wholly owned subsidiary of General Motors. General Motors is the largest company in the US and is susceptible to US Government pressure. Delta also buys its Isuzu components from Japan.

These factors have prompted the motor industry to curtail the monthly sales information in an effort to counter sanction-busting moves. Instead of giving a breakdown of sales of each model from manufacturers, it now gives only total sales in the four categories — cars, light commercial vehicles, medium commercials and heavy commercials.

The industry faces a bleak future in other respects. Higher interest rates, increased deposits, abolition of private rentals, the new requirements to pay GST up front on lease deals and the declining rand have hurt it.

Imports from SA down by 15%

Tokyo trade sanctions begin to bite

66 B/day 14/10/88

MANDY JEAN WOODS

JAPAN'S sanctions against SA are beginning to bite — Japanese Finance Ministry trade statistics released yesterday showed that imports from SA fell by 15% ($260m) to $1,5bn in the first nine months of this year.

Sapa-Reuter reports that bilateral trade for the period January to September dropped by 5,5% overall to $3,1bn. (Overall trade last year was $4,12bn).

SA imports from Japan for the same period increased nearly 6% to $1,6bn.

SA Japanese trade consul Shigeaki Koga said the ministry figures were only preliminary and, therefore, no breakdown figures were available. He said the reduction in imports from SA probably affected industries across the board rather than particular industries.

He said since March this year, the government had been asking Japanese businesses to reduce trade with SA.

Japan has come under increasing criticism from, among others, the US — its largest trading partner — which alleges it is exploiting the gap left by international sanctions imposed on SA.

Safto Asia manager Guy Sievewright said it was well-known the Japanese were embarrassed about their position as SA's number one trading partner and were trying to change that.

One large coal mining company declined to discuss the effect of lower SA exports to Japan on the coal industry — one of SA's main exports to Japan.

Koga said that to the year-end 1987, exports from Japan increased by 18% (over 1986) to 269,2bn yen. In dollar terms, that represented a 37% increase to $1,86bn.

Imports from SA decreased by 13% in 1987 (over 1986) to 328,4bn yen. In dollar terms, that was a 1% increase to $2,26bn.

Overall trade last year declined by 2% in yen terms (597,6bn) compared with a 15% decrease in dollar terms to $4,12bn.

SA-German trade soars

DIANNA GAMES

WEST Germany is set to take over from Japan as SA's largest trading partner following a successful policy of restraint by many Japanese companies doing business with SA, according to recent reports in Japanese newspapers.

The Japan Times quoted International Trade and Industry minister Jajime Tamura as saying West Germany had been doing more trade with SA than Japan in recent months.

It reported that Japanese PM Noboru Takeshita had said he would urge businesses to exercise more self-restraint in trade with SA. He said trade with SA had been decreasing since April but Japan had failed to convince the international community of its efforts.

But, according to Claas Knoop, economic councillor with the German Embassy in SA, it would not be possible to make the politically loaded assumption that Germany would take over as the largest trading partner until the whole year's trade figures were available.

The latest figures released in West Germany for the period from January to July show German imports from SA had risen by 31.6% while exports to SA rose by 36.6% in the same period.

In this period imports from SA rose from DM1.36bn in 1987 and DM1.7bn in

B/Day 19/12/88

To Page 2

German trade with SA in sharp rise

From Page 1

1988, while exports to SA rose from DM2.4bn in 1987 to DM3.2bn this year.

But, said Knope, there were differing trends. For instance, in 1987 imports from SA compared with 1986 fell by 22.2%.

A recent report in a leading Japanese financial daily said Japanese industry planned to strengthen its curbs on trade with SA in 1989 in response to the UN resolution earlier this month which condemned Japan for being SA's leading trading partner.

In the the period January to October this year Japan's trade with SA rose 1.6% in dollar terms from the same period the previous year.

Japan became SA's biggest trading partner in 1987 with bilateral trade totalling $4.1bn, up 15% from the preceding year, a Japanese newspaper said. It said West Germany was second with $3.8bn in trade.

Many firms in Japan said they were trying to ensure the dollar value of their trade with SA at least did not exceed this year's, the report said.

The automobile industry is the largest exporter to SA, a Japanese financial daily reported, saying that sales last year from this sector were up 20%. It said Toyota was the largest contributor to the increase, responsible for about 40% of last year's exports to SA.

But industry officials said they were keeping a close watch on their shipments to SA so that the total number would not exceed the level of last year.

66

B/day 13/12/88

Japanese motor manufacturers putting brake on exports to SA

TOKYO — The final count of Japan's vehicle exports to SA this year is expected to be below that of 1987.

It is also expected to fall further from next year.

Exports by Toyota this year are expected to drop from last year's 91 100 vehicles including 71 800 kits. That figure was up from 77 075 in 1986 including 63 520 sets.

Nissan will have exported 43 746 units by the end of the year, including 22 637 kits, up from 31 235 last year including 13 640 kits.

Motor industry sources said Toyota was likely to cut exports further next year. Nissan's spokesman said his company's shipments this year were unlikely to fall in volume but would fall in value from a year earlier.

On December 5, the UN voted 123-12 to draft a resolution supporting sanctions against SA.

It also called on Japan to exercise greater voluntary restraint in trading with Pretoria.

Other Japanese motormakers exporting to SA said they would continue to reduce shipments next year after reducing them this year and last.

Honda exported 50 built-up cars and 10 800 kits to SA last year compared with 25 cars and 10 900 kits in 1986.

The final tally this year is expected to be lower in volume and value.

Shipments by Isuzu will be about 11 000 units this year compared with 12 339, including 2 731 built-up vehicles, last year.

Mazda exported 8 830 vehicles and 32 360 kits last year compared with 5 080 vehicles and 29 860 kits in 1986.

Exports by Mitsubishi will fall by 20% this year from last year when, a company spokesman said, it exported 5 300 vehicles, including 4 100 kits, up from 4 400, including 3 100 kits, in 1986.

Japan's vehicle exports — complete units and kits — to SA account for 20,1% of its trade with Pretoria. They rose in value to $373,81m last year from $278,87m in 1986.

Vehicle exports to SA totalled $281,11m in the first 10 months of this year. — Reuter.

A TIMES MEDIA PUBLICATION

Johannesburg ...

66 7/12/88

SIMON BARBER

Two firms to reduce SA ties

WASHINGTON — Two Japanese companies have announced they are reducing their ties with SA following the UN General Assembly's adoption on Monday of a resolution singling out Japan for increasing its SA trade.

Matsushita Electric Industrial said it was closing the Johannesburg office it opened in 1960 and Sanyo Electric vowed to cut its sales to SA by 15%.

Japan's US ambassador Hideo Kagami protested that the UN's criticism was unfounded, noting that Japan's trade with SA had been shrinking in yen terms since 1984. Officials said Japan's SA trade had declined 50% over the past five years and by year's end was expected to be down 20% from 1987.

In the first 10 months of this year, two-way trade dropped by 11,1% from the same period in 1987 to 437,4bn yen. Because of the yen's increasing strength against the dollar, this translated into a modest increase of 1,6% in dollar terms.

Prime Minister Noburu Takeshita told a Press conference in Tokyo that he would step up calls for voluntary restraint by Japanese firms.

Neither Matsushita nor Sanyo said how their moves might affect their earnings. Both declined to reveal the value of their SA sales.

Sanyo, a major supplier of facsimile machines, videocassete recorders and air conditioners, has been exporting to SA since 1959. It has no office in SA, but said it was considering recalling an official who has been acting as its agent.

Matsushita, which exports components for VCRs and TV sets, said it would close its office and bring home its two representatives early in the new year.

Japanese support for black business

Star 9/6/89

By Jabulani Sikhakhane

Black businessmen could soon be exporting their products through a worldwide network of Japanese trading houses if current talks between the two groups are successful.

Japanese consul-general, Shin Horiuchi, said earlier this week: "We are willing to help black businessmen export their products to any country. We have had lots of contacts with black business. There are a number of exchange programmes with black leaders."

Mr Horiuchi said Japanese businessmen were still trying to identify what form their co-operation with black business would take.

Consultations have been held with the two leading business bodies, the National African Federated Chambers of of Commerce (Nafcoc) and the Foundation for African Business and Consumer Services (Fabcos).

Sanctions have posed a problem.

Japanese businesses operating in South Africa are under pressure from their government to cut the volume of trade with SA.

Unlike the US, Japan does not have any direct investments in SA except for trading houses.

Several Nafcoc officials, including its president Dr Samuel Motsuenyane, have visited Japan as part of an exchange programme between black business and Tokyo.

In turn, six general managers of Japan's top companies visited Nafcoc's head office in July last year.

Ashley Mabogoane, Fabcos client liaison manager, confirmed that his organisation had had discussions with Japanese businessmen.

"We have established a rapport with Japanese businessmen. The idea is to look for areas of mutual co-operation.

"The ideal situation would be the transfer of technology to black business and joint manufacturing ventures between the two groups."

Mr Mabogoane said Japanese businessmen already operating in South Africa needed the support of their SA counterparts to stem the tide of pressure on them to cut the volume of trade with SA.

"The only price one can pay is to be seen to be doing business with black entrepreneurs. In terms of the 1986 US Anti-Apartheid Act, there is support for trade with and investment in black-owned businesses or those whose majority shareholdings are in black hands," he said

In terms of the Act ,the Export-Import Bank of the United States — a US Government agency that facilitates the export financing of US goods and services — has to make available its two financing programmes to black-owned businesses or firms with a majority black shareholding.

high-level technology would have to be ... and other even eager to tal

American mining man pays tribute to chamber

B Day 5/10/89

THE supply of gold available is not keeping up with the world's population growth, an American mining executive, Harry Conger, said in Johannesburg yesterday.

Conger, chairman and CE of the Homestake Mining Company of San Fransisco, speaking at a banquet to celebrate the Chamber of Mines's centenary, said he found this a challenge.

"There are a lot more people out there in the world who would enjoy gold and can afford it, but they need some tactful stimulation."

Conger credited the chamber with having established the basis for the current strong promotion of gold by the World Gold Council, which now had the backing of a large majority of gold producers in the US, Australia and Canada. "We should not lose sight of how small the gold market is in dollar terms," he said.

Research

"The total gross revenue of all newly mined gold last year was less than $25bn — the same amount that an American firm raised in 48 hours to buy a cigarette company."

US mining companies had greatly benefited from SA's research into the problems experienced in deep-level mines, and from other research by the Cahmber of Mines Research Organisation, Conger said.

"The studies the chamber has supported on rock mechanics and on how to design mines using this data have been of great assistance to our staff at the Homestake Mine.

"The research on ventilation in hot, deep mines also has been of great help.

"There are many, many other examples of the benefits of your research to the members of the chamber as well as to the rest of us in the mining industry."

Conger said the fact that the chamber had survived and prospered during the political, social and economic turmoil of the past 100 years, was a testimony to its quality and strength.

"It is an organisation which we in the industry outside South Africa hold in high esteem". — Sapa.

Strikers lobby consul

66 Own Correspondent

CAPE TOWN — A delegation of striking National Panasonic workers and representatives of anti-apartheid organisations yesterday met Japanese consular officials in a bid to muster support for the strike.

Members of the delegation said that because of the Japanese government's policy of discouraging Japanese companies from trading or investing in SA, they had turned to the consulate for help. The workers are all members of the Electrical and Allied Workers Trade Union of SA (Eawtusa). B Day 5/10/89

Vice-consul K Nakajawa undertook to report the meeting to the Japanese embassy in Pretoria, but said diplomatic staff were unable to intervene.

About 190 workers at National Panasonic's Parow plant have been on a legal strike in support of wage and other demands since August 24.

The union expected a reply by next Thursday, the Eawtusa spokesman said.

National Panasonic manufacturing manager M S Tiffin could not be reached for comment.

SATURDAY JUNE 10 1989

Chance for black exporters

W/t Argus 10/6/89

From JABULANI SIKHAKHANE

JOHANNESBURG. — Black businessmen could soon be exporting their products through a world-wide network of Japanese trading houses if current talks between the two groups are successful.

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Japan to follow US lead on sanctions

Sowetan 23/1/91

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TOKYO - Japan will maintain economic sanctions against South Africa as long as the United States does.

This is despite dramatic changes here which caused the European Community to ease trade curbs, businessmen say.

Michael Davis, in charge of finance at South Africa's giant electricity company Eskom, said Japan would follow US policy on sanctions - the major impediment to new Japanese investment and loans.

In line with Washington, Tokyo bans new investment in South Africa and has issued guidelines that trade does not increase from the peak 1987 level of 4.1 billion dollars.

He told an audience of Japanese businessmen on Monday: "For South Africa, the economic challenge in the 1990s will be bigger than the political one. The economy will be restructured. New foreign investment and capital is critical to enable the economy to grow faster and fund the new dispensation."

One Japanese businessman said Tokyo had an opportunity to lift sanctions late last year, following the European Community, but declined.

"The government is sensitive to markets in the US," he said.

"It does not want to offend Washington. The foreign ministry is too busy with other issues now to take an initiative in this area."

Japanese firms control more than half of South Africa's car market. - *Sapa-Reuter*

Makers of Japanese cars in SA have edge

B Day 16/8/90

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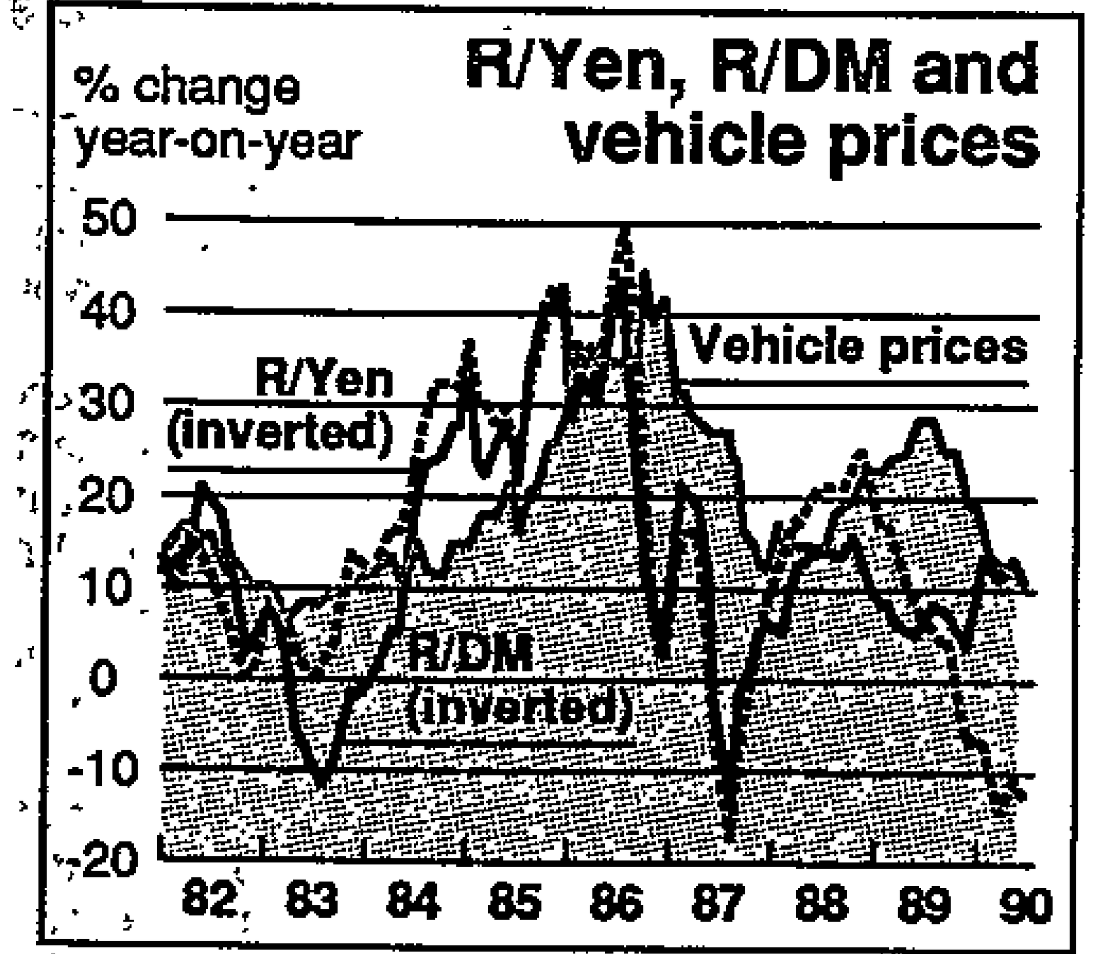

Graphic: FIONA KRISCH Source: STANDARD BANK

EDWIN UNDERWOOD

THE strengthening of the rand against the yen over the past year helped SA manufacturers of Japanese vehicles save 10% to 12% on manufacturing costs, BMW SA finance director Peter Barbe said yesterday.

Barbe, in an interview, said this translated into a double saving in terms of excise duty paid and the sheer cost of vehicles, giving manufacturers such as Toyota, Nissan and Samcor a saving of 6% to 8% on forex deals and a stronger competitive edge over manufacturers of German vehicles.

In terms of Phase VI of the local content programme, 65% of vehicle components should be of local origin.

According to Standard Bank's economics division, manufacturers of Japanese vehicles in SA had significant advantages in terms of Phase VI as the rand had strengthened against the yen but declined against the Deutschemark.

Nissan group projects director Dries du Toit said manufacturers of German vehicles such as Volkswagen, BMW, Mercedes Benz and Delta (Opel) could offset losses incurred by achieving economic import replacement, incremental export businesses or incurring a penalty duty for exceeding forex limits as an alternative to pursuing uneconomic import replacement.

Industry sources said Japanese based manufacturers would account for approximately 60% of annualised total forex deals of R4,5bn for SA's motor manufacturers.

Du Toit said the principle of Phase VI was self-funding in that rebates earned for meeting the local content stipulations should be levelled off against excise duties paid.

Standard Bank said the low price increases over the past year were due to local manufacturers of Japanese vehicles having less cost pressures in a declining market, and manufacturers of German vehicles being unable to pass on increased costs.

Barbe said that to overcome losses BMW was increasing productivity and looking to increased exports.

On the brighter side, Standard Bank said it expected the cost pressure to ease next year as the rand's rate of depreciation was expected to soften, resulting in fewer competitive cost distortions.

Barbe said BMW believed the policies of the Reserve Bank were working by keeping real interest rates of 8% in line with other real world interest rates and there was a good possibility of SA's inflation being 12% at the end of this year and 10% by the end of 1991.

"Therefore we do not foresee the rand weakening against the Deutschemark and exchange rates should be more stable" he said.

ICL (SA) future at stake in Japanese control bid

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By IAN SMITH

THE £740-million bid by Japan's Fujitsu for a controlling stake in International Computers Ltd (ICL), the UK's only mainframe manufacturer, has big implications for the South African operation.

Malbak and ICL overseas each hold a 50% stake in ICL in this country.

ICL (SA) is the biggest contributor to the international group after the UK operation. Any new controlling company is unlikely to want to upset a profitable and happy partnership.

But Japanese companies are prohibited from holding a direct stake in SA companies.

Malbak executive and ICL (SA) chairman Hugh Brown does not know what Fujitsu's attitude will be if it takes control of the UK company, but he doubts that the SA investment will become an issue.

"I am totally relaxed. I cannot see any point in interfering with a profitable company which is a big contributor to the group."

ICL (SA) managing director Fred Luyt says: "It's business as usual for us. I can see only opportunites."

JOHN CAVILL reports from London that the deal is coming under pressure from politicians and fearful Continental rivals.

S Times 29/7/90

Logic

It emerged this week that the board of STC (Standard Telephones & Cables), ICL's parent, is also divided about the deal in spite of the advantages of being tied into the financial and technological might of Fujitsu, the world's third-biggest with computer sales of $12-billion a year.

The proposed sale was expected to be announced tomorrow. But ICL's competitors in Europe — Olivetti of Italy and Group Bull of France — have asked STC to re-open merger talks, discontinued several months ago.

The deal has logic for both STC and ICL. Last year ICL turned in bumper profits of $263-million before tax on sales of $2,9-billion.

But the European industry is going through a bad patch as it battles competition from IBM, the Japanese and the EEC's No 1, Siemens of Germany which took over Nixdorf.

Olivetti suffered a 40% drop in profits in the first half of this year. Group Bull lost $49-million in 1989 and Norsk Data of Norway was $59-million in the red.

For STC it makes sense to take the £740-million cash offered by Fujitsu for 80% — it paid only £411-million when it acquired ICL in 1984 after a spirited battle with the then chairman Sir Michael Edwardes. It would sell before ICL started losing momentum and draining resources.

From ICL's point of view the Fujitsu deal is a logical extension of the technological co-operation which has existed between the two companies since 1981.

ICL saved hundreds of millions in development costs by buying Fujitsu's semi-conductors which went into the successful Estrielle computer.

It cost Fujitsu $1-billion to develop the semi-conductors. Sales of $255-million a year to ICL spread the research and development burden as well as allowing the UK group to concentrate its resources elsewhere.

CAPE TIMES 27/8/90

Japan, SA agree on dialogue

66

TOKYO. — Japan and South Africa have agreed to hold regular exchanges of views on African and international situations, a Foreign Ministry official said yesterday.

The agreement came in a meeting on Monday between the director-general of the Department of Foreign Affairs, Mr N P van Heerden, and Mr Makoto Watanabe, director-general of the Japanese Foreign Ministry's Middle East and African Affairs Bureau, said the official.

Meanwhile, Japan said yesterday that it had no plans to lift investment sanctions against SA despite dramatic political changes.

Japan is SA's second-largest trading partner after West Germany. — Sapa-Reuter-AP

De Klerk speech seen as first step

ARGUS 8/2/90

66

By RODERICK ORAM in New York and ROBERT THOMSON in Tokyo, both of the Financial Times

TRADE

UNITED STATES capital will keep flowing out of South Africa until the last vestiges of apartheid are eradicated, American business leaders and lobbyists have said.

Measures announced by the De Klerk government last week are seen as only a first step. It needs to do much more before US laws severely restricting new US investment in the country are lifted.

Many US companies which withdrew from South Africa during the 1980s say it is far too soon to return even if US law allowed it.

General Motors, for example, says it had no plans to reinvest in the country. But even many of these corporations are likely to continue under attack from lobby groups which say they have retained strong ties with the country. About half the departing companies licence South African companies to sell or make their products. Moves such as last week's lifting of the ban on the African National Congress provide a strong argument for increasing sanctions and pressure for disinvestment, says Ms Donna Katzin of the Interfaith Centre for Corporate Responsibility.

Pressure

The centre plans to keep up its shareholder pressure on corporations until there is basic and fundamental change in South Africa.

For example, at more than 100 company annual meetings this spring it will propose shareholder resolutions to stop dealing with South Africa. "I'm still urging disinvestment until I see an actualisation of the promises that seem to have been made," said the Rev Leon Sullivan, a black Baptist minister whose 13-year-old Sullivan Principles on US investment in South Africa helped trigger the wholesale withdrawal of US capital in the 1980s.

The exodus swelled from seven companies in 1984 to a peak of 56 in 1987 before falling back to 18 last year. In total 176 US companies have left over the past five years.

More than 120 still remain fully active in South Africa, according to the Investor Responsibility Research Centre in Washington.

Caltex Petroleum is the largest with 2 056 employees followed by International Paper with 1 966 and Johnson and Johnson, the drug group, with 1 451. Other big names include United Technologies, Caterpillar and Minnesota Mining and Manufacturing.

"We believe our position there is a positive one for social justice," says Mr Bill Lane, an international government affairs specialist at Caterpillar.

It has a parts warehouse there serving southern Africa and exports to the country create some 650 jobs in the US.

Withdrawal

At its last annual meeting 12 percent of its shareholders voted for withdrawal.

There was little chance that legal restraints on US companies would be lifted as long as key friends in Congress maintained their strong position, said Mr Richard Knight, a research associate of the American Committee on Africa, the oldest anti-apartheid lobby group in the US.

People here understand you have to look beyond the changes announced so far. The bottom line is universal suffrage in a unitary state.

The Japanese government, embarrassed in the past by the country's highly-publicised commercial ties with South Africa, has indicated to Japanese companies that Pretoria's announcement of reforms should not herald direct investment or an increase in trade.

Although individual Japanese companies were reluctant to comment on possible changes in strategy, a senior Japanese Foreign Ministry official said the government and corporate position on South Africa should not change until after the release of Mr Nelson Mandela, the jailed leader of the African National Congress, and some other improvements on the segregation policy occur.

Japanese exports to South Africa, which, on a monthly average, fell by 16 per cent last year on a customs-clearance basis, rose 17,9 percent in December compared to the same month in 1988, according to Ministry of Finance figures.

Restraint

Japan became South Africa's largest trading partner in 1987, with bilateral volume, totalling 4,27-billion dollars, prompting Tokyo to urge restraint and encouraging some companies to find third country routes for products. Trade with South Africa fell by four percent in 1988, putting Japan behind West Germany in bilateral volume.

In early 1988, the Keidanren, the Federation of Economic Organisations, urged member companies to restrain trade with South Africa after the increasing volume had been condemned in the US.

The Keidanren has also emphasised that Japanese companies have honoured a ban on direct investment, while bans remain on direct flights to Japan by South African Airways and the use of the airline by Japanese government employees, and South African tourists are refused entry visas to Japan.

Mr Jerry Matsila, the African National Congress representative in Japan, said that companies would be tempted to upgrade commercial ties because controls were imposed only after international criticism.

The ANC estimates that Japanese brands comprise 62 percent of the car market in South Africa and take 64 percent of the car components market.

Japanese mission to probe sanctions

Sowetan 3/4/91.

66

TOKYO - Japan's biggest business organisation, Keidanren, will send its first mission to South Africa this month amid calls by businessmen for Tokyo to lift economic sanctions.

A spokesman for Keidanren said yesterday the mission, led by Tamotsu Yamaguchi, deputy president of the Bank of Tokyo, would spend a week in South Africa starting on April 21, meeting officials, foreign businessmen and black leaders.

"There is an increasing voice among business people for Japan to lift its sanctions," he said. "But there is no consensus on the issue."

The mission will include representatives from trading companies and probably manufacturers.

In 1987 Japan became South Africa's top trading partner, spurring strong criticism in the West. As a result, Tokyo banned new investment and has issued guidelines that trade should not increase from the 1987 level.

Japan has welcomed moves by the South African government to dismantle apartheid but has not yet lifted the sanctions. Diplomats say it will not do so before Washington does.

The Keidanren spokesman said the mission would also monitor how black organisations were using the R7 million it donated to encourage black students and small and medium-sized black firms. - *Sapa-Reuter*

Japan's set to open the door

S/Times (Bus/T) 21/4/91

Nol 66

JAPANESE companies, the world's biggest exporters of capital, will soon be free to invest in South Africa.

Restrictions on contact with SA, including the ban on direct investment, will be lifted when the last political prisoners are freed, says Japan's most influential newspaper, Asahi Shimbun.

By IAN SMITH

But all hinges on the definition of a political prisoner.

The ANC says there are many more than the Government's figure of 100.

The report quoting a "high-ranking" official in Tokyo appeared shortly before a Japanese economic mission was due in SA this weekend.

Underlining the extent of the policy switch, the report says the Tokyo government is considering inviting President De Klerk to visit Japan, possibly in June.

The last political prisoners could be released by the end of the month. But the Japanese are, above all, prudent investors and they will have to be satisfied about political stability and economic prospects before they rush in with cash.

Japan's embargo on SA was imposed more than 20 years ago.

A Johannesburg banker says: "They will be here, sooner or later."

Nod

John Newbury, managing director of Sankorp-controlled Nissan SA, has had close links with the Japanese company for many years.

Mr Newbury says: "The biggest attraction is likely to be that they will see SA as an entree to sub-Saharan Africa."

Japan's Ministry for International Trade and Industry has already "given the nod" to the removal of voluntary restraints on trade with SA.

But the formal removal of all barriers will be a major breakthrough. It will leave the US as the last major nation which has not lifted sanctions.

Japan's prosperity has led to huge growth in its foreign investment in recent years. Total direct investment abroad grew from $4,7-billion a year in 1980 to $67,5-billion in 1989 — the last year for which figures are available.

In addition, the outflow for investments in securities, including bonds and shares, totalled $113-billion.

Sectors

North America was the most attractive investment region, drawing $50-billion in 1989. Investments in Europe totalled $22-billion, another $12,2-billion went to Asia and $15,7-billion to other parts of the world.

The sectors attracting most Japanese investment were manufacturing ($24-billion), finance ($23-billion), real estate ($21-billion) and services ($15,7-billion).

Asahi Shimbun, which sells more than 8-million copies a day, says Japan's private sector has started studying "various possibilities" in economic and trade relations with SA.

"After sanctions are lifted, economic relations with SA can be normalised and the private sector's direct investment in SA can be accelerated.

"The Japanese Government's policy shift aims at a positive role in easing tension in the Southern African region and in establishing a new order."

Delegates on the trade mission to SA — the first in many years, says the SA Foundation — belong to Japan's Federation of Economic Organisations (Keidanren).

They include representatives of major corporations, including the Bank of Tokyo, Nissho Iwai, Sony, Toyota, Mitsubishi and Toshiba.

Japan was one of the first nations to impose sanctions against SA and they became probably the strictest this country faced.

They included a total ban on investment, restricting sporting, cultural and educational exchanges, outlawing the issue of tourist visas to SA nationals and "discouraging" Japanese tourism.

All the restrictions will go when all political prisoners are freed, says Asahi Shimbun.

Rapid

In spite of the clamp on contact between the two nations, trade flourished. The Japanese Government imposed informal restrictions on imports and exports after Japan jumped ahead of West Germany to become SA's biggest trade partner in 1987.

In 1988 bilateral trade fell 3,5% to $3,98-billion.

Japan's rapidly increasing foreign investment has not always been welcome. Australians have expressed concern about its huge penetration of the hotel, resort and leisure industry, mainly in Queensland.

A natural target for speculation about investment is the motor industry where SA-controlled companies like Toyota, Nissan, Delta and Samcor have had close links with Japanese suppliers.

Mr Newbury says: "We have gone through good and bad times with Nissan without any equity link."

There are unlikely to be investment opportunities in the motor industry, which has surplus capacity, unless major expansion is needed to build vehicles for neighbouring states.

The computer industry and the banking sector could be other targets.

NISSAN'S JOHN NEWBURY: We're a gateway to sub-Saharan market

Japanese come back in force

Star 22/4/91

66

By Derek Tommey

The Japanese are back in South Africa in force. One of the highest-level trade delegations ever to be sent by Japan has arrived in Cape Town.

The visit has major political and business ramifications.

For several years the Japanese have been most reluctant to be seen to have anything to do with South Africa and its government.

The Japanese government was embarrassed a few years ago when figures were published showing that it was SA's biggest trading partner.

Quotas

While the embarrassment did not lead to a total ban on Japanese trade, it did result in quotas being imposed on the value of imports from Japan.

Goods covered by these quotas included car parts and electronic goods.

However, in recent months SA importers and exporters have found the Japanese no longer rigidly applying the quotas.

The Japanese are very keen to avoid any action that could result in criticism in the West.

It is therefore significant that the Japanese have now sent an official trade delegation, says

Kurt von Schirnding . . . situation is perceived to have changed

Kurt von Schirnding, director-general of the South African Foundation.

The delegation is visiting at the invitation of the foundation, which has arranged most of its programme.

Mr von Schirnding says the visit shows how the situation in SA has changed and is perceived to have changed, otherwise the delegation would not have come.

The delegation is being sponsored by the Keidanren (the Japanese Federation of Economic Organisations), which is one of the most powerful business organisations in the world.

Represented on the delegation are top Japanese businesses, including including the Bank of Tokyo, Nissho Iwai, Sony, Toyota Motor, Mitsubishi and Toshiba Corporation.

Parliamentarians

The delegation is spending today and tomorrow visiting parliamentarians, including Minister of Finance Barend du Plessis.

It will arrive in Johannesburg on Wednesday and meet bankers, industrialists and representatives of all political groupings.

The delegation will undoubtedly feed back its findings on South Africa in transition to the Japanese government.

South Africa imported goods worth $1.5 billion (R4,05 billion) from Japan last year and sold goods worth $1.8 billion (R4,86 billion) to Japan.

The fact that the trade balance is in South Africa's favour suggests that South Africa could afford to buy more goods from Japan if its businesses are allowed to do so and are prepared to market their products here.

Japanese business leaders land in SA

DARIUS SANAI

28/66

THE most senior delegation of Japanese businessmen to visit SA arrived in Johannesburg on Saturday to study prospects for local investment.

The Keidanren Study Mission is made up of senior representatives of companies such as Sony, Mitsubishi, Hitachi, Toshiba and Matsushita, and is lead by Bank of Tokyo deputy president Tamotsu Yamaguchi.

B/Day 22/4/91

Delegates will spend a week in SA and hold meetings with top figures across the political spectrum, such as Finance Minister Barend du Plessis and senior ANC and Inkatha members.

The delegation arrived in SA as a leading Japanese newspaper reported that Japanese trade sanctions would be lifted "as soon as the last political prisoner is released".

It is not clear, however, which of the varying definitions of "political prisoner" will be accepted by the Japanese government, which first imposed sanctions on trade with SA 20 years ago.

Japan is the world's biggest exporter of capital, with over $67bn in foreign investment in 1989.

Industry sources said Japanese companies would look on SA as an entry point to the sub-Saharan market.

The delegates flew straight to Cape Town from Jan Smuts and are due to return to Johannesburg tomorrow.

● Picture: Page 3

'Industrialists keen to invest in SA' . . .

Violence keeps Japanese at bay

CAPE TIMES 26/4/91 66

By AUDREY D'ANGELO
Business Editor

VIOLENCE and unrest are the only reasons Japanese industrialists have not yet invested in SA on a large scale, says Clem Sunter, chairman of the gold and uranium division of Anglo American Corporation.

On a visit to Cape Town yesterday he said he had found, when he went to Japan in September, that they were "desperately keen to invest in SA" and use this country as a base for exports to the rest of Africa.

They wanted to manufacture light electrical goods, such as transistor radios, here for export.

"The only thing that has kept them from doing it is the violence. One leading industrialist told me 'violence has made us put our hands back in our pockets'.

"If we can obtain a degree of tranquillity I think the Japanese will invest here.

"They have already done incredible things in SA — the Toyota plant in Durban is one of the most highly productive in the country."

Sunter forecast two years ago, at a seminar in Bellville, that the Japanese would become big buyers of real estate along the Atlantic coast.

Yesterday he cautioned: "I don't know what laws will govern foreign ownership of new businesses and property in the future SA.

"But, talking to Japanese businessmen, my belief that they want to invest here has been supported by their comments."

There would be a tricky balance between the need for everyone in SA to have access to land and resources and for the creation of new jobs.

"My balancing mechanism is very much in favour of attracting foreign investment.

"We have got to have a growth rate of between 5% and 10% for 10 years to eliminate poverty."

David Bridgman, executive director of Wesgro, commented: "Potential investors are definitely troubled about the unrest position."

But "we are getting an enormous number of people starting to take an interest in SA.

"Whether these inquiries will turn into actual investment I don't know. Such investment is not a short-term thing.

"We are worried about violence, not only in case it frightens investors away but for the whole future of SA.

"But the more we can be seen taking action to get on top of our problems, such as starting negotiations, the more attractive SA will seem as a place to invest."

SA gearing for huge Japanese trade boost

Star 27/4/91

66

MARK SUZMAN

SOUTH Africa is set for a huge boost in trade and investment from Japan after a highly successful visit by a powerful Japanese trade delegation.

After holding wide-ranging discussions with people across the political and business spectrum, delegation leader Tamotsu Yamaguchi, deputy president of the Bank of Tokyo, said this week that he was very encouraged about the prospect of future links between the two countries.

Impressed

"We were very much impressed by great economic and political reform and were impressed with the abundance of national resources and human resources as well as the splendid economic infrastructure." he said.

Suggesting that South Africa would be the "ideal gateway" to the rest of southern Africa, Mr Yamaguchi observed that through schemes such as joint ventures, current bilateral trade between the two countries could double from its present R4 billion.

The delegation, which included some of Japan's biggest multinationals such as Toyota, Mitsubishi and Toshiba, came as a result of an invitation from the South African Foundation and was sponsored by the powerful Keidanren business organisation.

Although the full agenda was confidential, it is known that the group held discussions with the Minister of Finance, Barend du Plessis, all major political organisations, and several major companies in the banking and industrial sector. They will also be meeting ANC deputy president Nelson Mandela and President de Klerk before leaving for home later today.

Foundation director-general Kurt von Schirnding said the programme was put together in order to give the Japanese as wide-ranging a view of the South African situation as possible for them to reasses the political and economic climate.

"We sincerely hope that we can build on this in the future and that it will be the first of many such trips," he said.

Local economists feel the visit signals a significant revival of interest in South Africa on the part of Japan, which for the past few years has been wary of increasing trade with the country, fearing negative repercussions in the United States and Europe.

Japan has long been one of South Africa's major trading partners, exporting mainly motor vehicle parts and electronics such as computers and fax machines while importing platinum, gold, coal and foodstuffs.

As Mr von Schirding notes, moreover, the decision to visit continues a reversal of the trend that began after the international embarrassment caused by the revelations three years ago that Japan had become South Africa's largest trading partner.

At that time, both the powerful Ministry of Trade and Industry and the Kenaidron endorsed a system of unofficial trade quotas that effectively froze Japanese exports to South Africa at their 1988 levels.

However, in recent months, South African companies doing business with Japan have suggested that the curbs seem to have fallen away — a fact that has been unofficially confirmed by Mr Yamaguchi's call for trade expansion.

Even more important, however, the trip may be instrumental in the ending of Japanese sanctions after the delegation conveys its findings to the Japanese government, which has long adhered to UN resolutions forbidding investment, public loans and the sales of "sensitive" products, such as high powered computers, to South Africa.

"It won't be instantaneous, but I'm sure we'll see a change of direction in the next six to nine months," suggests David Graham, general manager for international operations at the South African Foreign Trade Organisation.

And although some analysts feel that it is more likely to wait for America's lead before making a final decision on sanctions, just two weeks ago the Japanese government announced that the ban might end if South Africa releases all remaining political prisoners.

FM 3|5|91 (66)

JAPAN FM 3|5|91 (66)

KICKING THE TYRES

Don't expect the floodgates of Japanese trade and investment to open after last week's visit to SA of an important Keidanren (Japanese Federation of Economic Organisations) delegation.

The cautious and pragmatic Japanese are keeping an eye on what the US and the UN do with sanctions before they lift their own restrictions. And, in any case, they are on the lookout for good business opportunities only, not opportunities to dispense charity.

Nevertheless, the visit is of vital importance for SA's relations with the Far East powerhouse, the world's second largest economy. "I view this visit as very significant," says SA Motor Corp CEO Spencer Stirling. "These people are not only traders, but potential investors. As soon as sanctions are lifted, one can expect them to act. Meanwhile, they are scouting out the lay of the land."

Japanese business stays close to its government, especially the Ministry of International Trade & Investment (Miti), and the Keidanren delegation is sure to brief the Japanese government on its findings. The visit follows a hush-hush tour of SA by a Miti delegation earlier this year.

Over the last few years, Japanese production increasingly has moved offshore with investment in facilities in Thailand and other south-east Asian countries, the US, Brazil and Europe. "They may be interested in joint ventures with SA business, possibly also looking at the wider southern African market," says Ron Haywood, deputy executive director of the SA Chamber of Business.

David Graham, GM international services for the SA Foreign Trade Organisation (Safto), says the Japanese may consider lifting visa restrictions on visiting SA business people later this year. This has been an effective way to restrict new business between the two countries. He says a Safto delegation may visit Japan in November.

The Keidanren delegation, comprising 14 representatives from a wide swathe of Japanese industry, trade, travel and banking circles, could open many doors for SA in the future. Keidanren's executive council and board includes the heads of such global giants as Mitsui, Sumitomo, Toshiba, Sony, Mitsubishi, Nippon Steel, Toyota, Nomura, Kawasaki, Nissan and Fujitsu.

"On our return to Japan we will report our impressions to Keidanren members, as well as to the Ministry of Foreign Affairs and to Miti," says the affable delegation leader Tamotsu Yamaguchi, deputy president of the giant Bank of Tokyo. The Keidanren members met a range of business and political leaders during their week-long tour as guests of the SA Foundation.

Yamaguchi says the delegation was struck by SA's "abundant natural resources, splendid infrastructure, great development potential," and its importance in helping to create a prosperous southern African market. He says Japan's current R3bn in annual trade with SA could double after sanctions are lifted. But, he adds, political and economic stability are essential for investment.

"Your country's population is almost 40m. If you can solve your political problems and meet the conditions leading to the lifting of sanctions and other economic restrictions, you could provide a tremendous advantage, not only for the subcontinent, but as the gateway for the whole of Africa." ■

Japan takes top-level look at SA sanctions

Star 11/6/91 280 IWN 66

TOKYO — The Japanese government is reviewing its stance toward South Africa following a report by Japan's powerful Federation of Economic Organisations urging an end to anti-apartheid economic sanctions.

The topic was raised during a regular Cabinet meeting yesterday. The day before, the leader of a recent business mission to South Africa formally asked that sanctions be lifted, Foreign Ministry spokesman Taizo Watanabe said.

The report, presented by Bank of Tokyo spokesman Tamotsu Yamaguchi, said progress made in South Africa toward eliminating apartheid's structure of racial discrimination is "irreversible" and that restrictions on investment and trade are no longer needed.

It raised speculation the Japanese government would lift sanctions next month, when key apartheid laws are due to be abolished.

Mr Watanabe said the Cabinet had agreed to study the issue.
— Sapa-AP

Japanese poised to march back

Star 13/5/91

66

By Neil Behrmann

LONDON — Japanese companies, with the unofficial blessing of their government, are planning a significant increase in business with South Africa.

The Japan Economic Journal says deals will involve everything from car production to coal imports.

The moves reflect expectations that Japan will soon lift sanctions, says the Journal, part of the Nikkei group, which publishes Japan's leading financial publications.

Business leaders, reluctant to talk openly about proposed deals, fear they will be left behind in the international rush to do business with South Africa, says the Journal.

The business community's more assertive stance on South Africa was reflected in last month's fact-finding mission by the Japanese Federation of Economic Organisations, known as Keidanren.

A larger Keidanren mission is planned towards the end of the year.

After returning from Johannesburg, mission head Tamotsu Yamaguchi, a Bank of Tokyo vice-president, said sanctions against Pretoria were not desirable.

Other executives noted that the Ministry of International Trade and Industry (Miti) last December said it would ease quantative restrictions on the value of Japanese trade with South Africa this year.

In 1987, Japan became South Africa's largest trading partner.

But a year later Miti requested that Japanese companies at best maintain trade at previous levels.

This "administrative guidance", says the Journal, brought about a 30 percent drop in trade with South Africa at some major Japanese trading companies.

Last year Japanese trade with SA was below that of Germany, Britain and the US.

Japan imported goods, mainly minerals, worth $1,84 billion (R5,1 billion) and exported $1,4 billion (R4,1 billion) of products to South Africa.

"Today, those same traders are again actively looking at hefty new contracts to build or renovate factories in South Africa," says the Journal.

Many chemical, mining and machinery plants built in the 1970s need renovation, Japanese traders told the Journal.

So far, Tokyo's ban on investments and loans has blocked Japanese contractors' plans to bid for factory contracts.

After the government lifts its ban, some leading companies are likely to extend loans to South African customers and to buy some corporations in basic industries, says the Journal.

Manufacturers are also quietly trying to boost sales in South Africa.

Japanese vehicle manufacturers expect annual demand will grow to 400 000 cars in the mid-1990s, up from 330 000 at present.

Nissan will increase production capacity at its local South Afrcan partner to 60 000 units by 1995 from 40 000 in 1990.

Japanese trading houses are projecting that demand for consumer goods will surge as the living standards of blacks improve.

Videocassete recorders and copying machines already account for 13 percent of Japan's total exports to South Africa.

South Africa will eventually become a key market for Japanese high-tech products, such as computers and microchips.

Japan's traders also predict renewed growth in coal imports from South Africa, in the wake of Miti's February decision to lift a ban on new contracts.

Coal accounts for about 10 percent of Japanese imports from South Africa.

Japanese businessmen step up scouting trips

Star 9/7/91

66

By Edward Neilan
Star Foreign Service

TOKYO — Japanese compannies are scouting new investment opportunities in South Africa as Japan prepares to lift its economic sanctions on the country.

The latest moves include a fact-finding visit to South Africa last week by a group of 40 top executives of major Japanese companies and financial institutions.

The mission was the second of its kind in four months. The powerful Federation of Economic Organisations (Keidanren) sent a mission to the Republic in April.

Japan has lifted restrictions on travel and cultural exchanges with South Africa in response to the recent abolition of laws that formed the legal foundation of the country's apartheid system.

Political and economic sanctions on South Africa are still in place, but the Japanese government has expressed its willingness to lift the remaining sanctions if Pretoria releases political prisoners later this month.

Some business leaders have cautioned, however, that political instability in South Africa will delay Japanese investment.

"I don't expect a rush by Japanese companies into South Africa right after the sanctions are lifted," said Mr Kazuo Nukazawa, managing director of Keidanren. " The country's political situation is still unstable."

But many trading houses at the vanguard of Japan's trade and investment in foreign countries are already doing feasibility studies in South Afria. And the Keidanren mission in April helped set a positive tone in Japan.

Keidanren issued a report on the mission's findings that South Africa had a stable supply of rare metals such as manganese, an efficient transportation network and reasonable electric utility rates.

"Japan's relationship with South Africa is extremely important," the report concluded.

Mr Jerry Matsila, chief representative in Tokyo for the ANC, said "Japan should prepare to lift its sanctions, but should not actually do so yet."

Japanese supporters of the ANC said they hoped Japanese firms would invest in South Africa in ways that benefited black people. They suggested, for instance, that Japanese companies gave priority to blacks when hiring employees.

Japan was severely criticised at the United Nations for being South Africa's largest trading partner in 1987 while other nations were implementing stiff sanctions against the country. As a result, the Japanese government urged companies to reduce their trade with South Africa.

Japan's imports from South Africa dropped from $2,26 billion (about R6,6 billion) in 1987 to $1,84 billion (R5,37 billion) in 1990.

Japan mainly imports platinum, manganese, chrome and other materials from South Africa and exports cars and electrical appliances.

Japan eyes SA with new interest as springboard for African trade

S Times 14/7/91.

MARY C CUSTY and KOOS VAN WYK foresee the return of 'Seikei Bunri' in Japan's dealings with South Africa

JAPAN and South Africa are strange bedfellows. Both publicly deny any deep, meaningful relationship, but both countries are in passionate pursuit of each other. Prospects of increased trade and investment are the attraction for these two unlikely lovers.

The Japanese have had an economic presence in Africa for quite some time, with the 20th century seeing the development of a strong trade interest in South Africa.

Over the years, relationships waxed and waned between the two countries but economic ties steadily grew stronger. By 1980, the value of Japanese-South African trade stood at $3,6-billion (R10,4-billion), more than 20 times what it was in 1960.

By 1987, despite sanctions, Japan emerged as South Africa's number one trading partner. To Japan's surprise and embarrassment, this was perceived by critics of apartheid as support for the white minority regime and its policies.

Dilemma

In the past, the Japanese have pursued their goals of economic expansion through trade and investment without regard to the political vulgarities of foreign policy wherever possible. *Seikei Bunri*, the separating of politics from business, became the phrase that captured the spirit of Japanese international interests.

With Japan an emerging superpower, this created a dilemma. Demands from the international community, including the United Nations and the United States, forced Japan to place greater emphasis on human rights in its foreign policy. A delicate balancing act between economic interests and world opinion thus began in Japan's relationship with South Africa.

In 1987, through its consensus style of decision-making, the Japanese government persuaded the business community to place a ceiling on trade with South Africa. Japan's trading level plummeted to its 1990 position of fourth place, which is just behind the United States.

One can expect, however, that with the rapid dismantling of apartheid by the FW de Klerk government, *Seikei Bunri* will once again assert itself in Japan's relationship with South Africa.

Recent interviews with Japanese Consulate-General and Ministry of International Trade and Industry officials revealed that South Africa is viewed as a reliable supplier that furnishes quality materials at good prices. In economic terms, the good news is that the Japanese historically perceive South Africa as an honourable and sound trading partner.

Japan provides South Africa with a variety of hi-tech equipment including computers, televisions and vehicles. In return, South Africa exports strategic minerals, agricultural products and raw materials.

More importantly, South Africa provides a fertile outlet for Japanese products not only within the country, but as a potential base for expansion into other African countries. In fact, Japanese officials identify only South Africa, Kenya and Nigeria as having potentially viable economies that would serve as trading bases for the continent.

Officials from both the South African and Japanese foreign ministries were hopeful about the future. With the lifting of sanctions, projections indicate that under favourable conditions Japanese-South African trade will quickly double. The pulp and paper industry as well as tourism are two areas that will feel the benefit.

The lifting of Japanese sanctions can be seen as imminent after this week's scrapping of the Comprehensive Anti-Apartheid Act by US President George Bush. The reason the Japanese have waited until now is evident in that 30 percent of Japan's trade is with the US and only one percent with South Africa.

The Japanese do not choose to offend a major trading partner and ally. On the other hand, the Japanese deny close links with the South African government and are adamant that the ANC will not dictate the terms for the lifting of sanctions. The impression gained is that their relationships with important political actors such as the ANC are limited and intermittent.

As most countries have found, expanding trade with the Japanese comes at a price. The Japanese are notorious for maintaining a favourable balance of trade with their global trading partners.

Accordingly, South Africa faces the prospect of either developing a competitive advantage and increasing its export of manufactured products or becoming another Third World country dependent on the export of its raw materials and the import of finished goods.

Excitement

Japanese officials also indicate that while stronger economic links with South Africa will be desirable, such links will depend on a peaceful political settlement that includes sound economic polices for free trade and investment.

When questioned about the prospects of expanding economic relations, both South African and Japanese officials tend to be vague about their governments' policies for the short term. However, they have difficulty in concealing their obvious excitement about the lifting of sanctions and the normalisation of trade relations.

□ *Mary C Custy has a law doctorate from the University of South Carolina Law Centre in the United States. She is doing a Masters study in International Relations at the same university. Koos van Wyk has a PhD from the University of Pretoria and is Professor and Director of the International Studies Unit, Rhodes University, Grahamstown.*

Mazda Japan in Samcor stake bid

S/Times 14/7/91 (Bus Times) (66)

By CURT VON KEYSERLINGK

MAZDA of Japan is poised to start negotiations on the purchase of shares in Samcor, which makes Ford, Mazda and Mitsubishi vehicles.

Anglo American owns 76% of Samcor and the rest is held by an employee trust.

Samcor managing director Spencer Sterling says the ban on Japanese investment in SA is expected to be lifted shortly. Mazda will then start talking to the employee trust about buying its entire 24% holding.

Mazda would probably want a 10% or 12% stake initially with an option to buy the balance. But Mr Sterling says the deal will not go through unless Mazda is confident about South Africa's future political and economic stability.

"The Japanese are cautious and prudent. They will carefully watch developments before committing themselves.

"Investing in the SA operation would fit in with Mazda's policy. It has minority stakes in its worldwide operations. There is no thought of its wanting a controlling share in Samcor. But there is no doubt that it would like to increase its involvement."

A rival manufacturer's spokesman confirms this and says one reason for Mazda's interest is its concern that Samcor is controlled by a group that does not have the motor industry as its core business.

Mr Sterling says: "A major reason for Mazda's interest is SA's potential as a base for business in the rest of Africa.

"All Japanese companies believe this. With correct economic policies, SA could serve as a catalyst for economic growth for Southern Africa."

Toyota

The Samcor Employees Trust was set up by Ford when it disinvested in 1988. Ford sold part of its holding to Anglo and gave 24% to the trust. Since then each Samcor employee has received three annual dividend payments of about R1 000.

The trust is governed by Ford appointees from outside the company's ranks after trade unions declined the offer to become trustees.

Ford has a 25% stake in Mazda Japan.

"I would be delighted if Mazda came in," says Mr Sterling. "We get on well with it, we would like it to became more involved and we want the bigger market that its participation could bring."

Another possible motor industry investment for the Japanese is Toyota SA, of which the Wessels family holds more than 50%.

The Japanese parent has been buying shares in Toyota operations worldwide. It has acquired a controlling interest in Toyota manufacturing plants in Australia; bought into most of the Toyota distributors in the US; and now has a stake in the UK operation with an option to take a controlling interest.

Toyota SA managing director Bert Wessels says his family has no commercial reasons to dilute its shareholding.

"We have been independent for 30 years and things are going well," says Mr Wessels. "We are in a phase of capital expenditure and can do it without help from Japan."

On the question of Toyota Japan wanting to use the SA operation as a springboard to Africa, he says: "It is true that Toyota Japan may want this because there is a shortage of production workers in Japan.

□ To Page 3

SPENCER STERLING: Cautious and prudent Japanese want assurances of stability in South Africa

□ From Page 1
S/Times (Bus Times)

Mazda

(66)

"We have a good relationship with it and are looking at possibilities of producing certain models for the African market with Toyota Japan's approval. 14/7/91.

"You can never say never when it comes to questions like this, but at this stage we have no reason to sell."

Executives of other motor companies that make Japanese cars decline to comment on the possiblity of equity participation by their source firms.

Mazda ready to buy slice of Samcor

B/Day 15/7/91

MARCIA KLEIN

JAPANESE motor group Mazda is set to make a significant investment in Anglo American subsidiary Samcor, local manufacturer of Mazda, Mitsubishi and Ford cars, weekend reports said.

The multimillion-rand deal, involving the acquisition of up to 24% of Samcor, could be signed by the end of the year.

Samcor MD Spencer Sterling was reported as saying that Mazda would buy its stake from Samcor's employees' trust, which was set up by Ford when it withdrew from SA in 1988. The employees' trust has 24% of the company, while Anglo American holds 76%.

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Sterling said in reports that one of the major reasons for Mazda's interest was "SA's potential as a base for business in the rest of Africa".

The reports said that Mazda would begin with a 10% to 12% holding, with an option to build this up over time to 24%. Sterling said Mazda's policy was to have minority stakes in its worldwide operations, and it did not intend buying Anglo's share of the company.

Economic scenario counts against trade

B\Day 17/7/91 66

TOKYO — Japanese bankers are gearing up for the anticipated normalisation of relations between Tokyo and Pretoria, but industrialists caution that an immediate increase in trade is unlikely because of SA's decimated economy.

Japanese government officials say a decision to lift the ban on direct investment and other trade in SA will most likely be made during a July 30 cabinet meeting.

However, major Japanese manufacturers do not plan to step up exports in the short term.

"The ironic thing is that now, when politics would allow us to increase exports to SA, the economy won't," says a senior official of Toyota.

"SA is surely the largest market in the region," says Nissan's Africa GM Hiroki Kato. "But even if we really wanted to, there is no way we could sharply increase exports."

Kato says SA's economy has been badly hurt by sanctions and has so far this year shrunk between 5% and 6%.

A microcosm of the general economy's downward spiral, the car market in SA, has shrunk two years in a row. Sales in 1990 totalled 334 356 vehicles, down 5% from 352 629 in 1989 and 7% from 357 898 in 1988.

Japan's major electronics makers say they will take a wait-and-see approach. Matsushita, Sharp and Hitachi say they have no immediate plans to expand exports.

"We have been doing business in the SA market for many years, but we do not have any immediate plans to expand our presence there," says Matsushita spokesman Akira Nagano. "Business will continue at the same pace, and we do not anticipate that sales will increase much."

But an SA specialist at the Asian Economic Research Centre in Tokyo says economic conditions should pick up now that the US has lifted sanctions. Says K Hayashi, "I believe the market situation will improve sometime later this year.

"Progress is being made on the lingering issues, such as the constitutional right to vote for blacks."

Hayashi says resumption of international monetary fund financing would also help speed the healing of SA's wounded economy.

The Export-Import Bank of Japan, an arm of the Japanese government, says it is prepared to resume business immediately after sanctions go.

Investment

"If Japan's private entitites go and invest in SA, of course we are ready to support that action," says an international relations official at the bank, Takahiro Hosujima.

Hosujima says the bank, which borrows money directly from the government's trust fund, is preparing to offer overseas investment credits to qualified borrowers.

With SA, Japan has one of its rare trade deficits.

Among the imports that the Japanese government's 1986 sanctions prohibited were iron and steel. But a loophole has kept the supply lines open.

An official at the Japan Iron and Steel Foundation says that the government does not forbid import under contracts signed before sanctions were imposed.

Still, the volume has dropped considerably. In 1990, Japan imported 433 000 tons of the two metals, down 41% from 733 000 two years earlier.

The industry official says that companies may be considering boosting imports once sanctions are lifted, but he has not heard any such talk directly.

Japanese companies no longer practise "self-restraint" in their SA dealings, says Keidanren director of international economic affairs Hajime Ota.

"Manufacturers are no longer holding down exports as a tool of political pressure but as a result of market forces.

"I don't think SA's economic situation will allow it to pull imports from Japan," Ota says. "Of course, in the long term, the outlook is great."

Despite flagging iron and steel imports, Japan's trade deficit with SA has grown during the past two years, according to the Ministry of International Trade and Industry.

The imbalance grew to $366m for 1990, when Japan exported $1,47bn in goods but imported $1,84bn of SA goods.

During 1989, Japanese exports to SA totalled $1,72bn while imports were $2,03bn. — AP-DJ.

Japanese interest fuels Toyota SA

(122)

MARC HASENFUSS

DESPITE statements to the contrary, market expectations of Toyota Motor Corporation (TMC) getting a foot in Toyota SA's door are rapidly driving the motor manufacturer's share up. B/Day 22/7/91

The rise to R34 last week has swept Toyota's share up 240% over the past year, taking it to second spot on the list of largest price gains on the JSE. (66)

Toyota marketing MD Brand Pretorius said the market had assumed that an attractive offer was forthcoming from TMC, but stressed that there "was definitely nothing concrete at the moment".

CE Albert Wessels said on Friday that Toyota's interest in the lifting of Japanese sanctions was primarily focused on the development of a free and flexible trading relationship, rather than actively seeking a capital injection from TMC.

This did not mean that Toyota SA would not encourage investment by TMC, but he added: "We have managed to build up sufficient reserves to fund all of our own growth and also to follow an aggressive policy of component localisation in line with the requirements of Phase VI of the local content programme."

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Hong Kong plans trade mission to SA

CT 24/7/91

From JON BEVERLEY

DURBAN. — A group of Hong Kong businessmen is planning a trade mission to South Africa, William Young, chairman of the African trade committee of the Hong Kong General Chamber of Commerce, said.

He led the first such mission in 1989 which was sponsored by a South African bank.

The mission, planned for next year, would be under the auspices of a bank to counter the threats of boycotts from other African countries.

Young said there was particular interest from purchasers of gemstones and ox gall-stones (used for medicine) while others would be keen to sell watches, radios, toys and electronic goods as well as basic items.

Asked about the possibility of Hong Kong businessmen setting up business in SA he said that a mission from Venda had visited recently while groups from Mauritius and Bophutatswana were due last Thursday. All held out very advantageous tax breaks and other deals to Hong Kong business.

He knew of people who were considering a mosquito coil factory and a blue jeans factory. "I think there are very good chances for them."

Asked about 1997 — the year that China incorporates Hong Kong into the mainland — Young said that most rich people or those who were afraid of the communists had already left and he beleived that there would be another outflow in 1995 when those who wanted to leave had secured their travel documents or rights of residence — it takes about three years to complete this processs.

Not all countries were attractive to Hong Kong immigrants as "they could not do the sort of business they were used to," Young said. SA was a good place to live in — but most Hong Kong people compared the country with Kinshasha or Zambia.

"They do not know that the climate is good and there are well-developed cities. Cape Town would be a nice place to retire," he said.

He pointed out that SA had the infrastructure which could be used to get into the rest of Africa. Educated people would be sensible to go to SA and start their careers there because labour was available.

Japanese interest in South Africa quickens

Star 2/8/91 ~~161~~ 66

By Derek Tommey

The Japanese are scrutinising South African business, says a leading business information bureau.

In recent months top Japanese businessmen have been investigating business and economic conditions in South Africa, says Andrew McGregor, a director of McGregors Online Information (Pty), which is well-known for McGregor's "Who Owns Whom".

Benefit

He has been making presentations on the economy and the business set-up in South Africa for the benefit of Japanese visitors.

Mr McGregor said yesterday he had received the impression that the Japanese would like to start making investments or acquisitions in South Africa fairly soon.

He believed the Japanese felt they had to beat the Americans to the draw and they would have only about 18 months in which to do so.

Japanese businessmen seemed to believe that it would take the Americans that long to end the state- and city-imposed boycotts of South African products, he said.

Once these restrictions were removed, the Japanese expected the Americans to try to establish a major presence here.

The investigation of South African companies by Japanese businessmen is in line with reports that Japanese car manufacturer Mazda has expressed interest in buying a stake in Samcor, which assembles Mazda and Ford cars.

However, JSE analysts make the point that it might not be easy for either Japanese or American firms to buy South African companies.

Ownership of major firms is highly centralised, in most instances ultimately residing with Old Mutual, Sanlam, Anglo American or the other mining houses.

Consequently, there are few chances of picking up cheaply any companies of importance on the Johannesburg Stock Exchange.

Parents

Instead, a deal would have to be done with their powerful parents, which could be a costly affair.

But it would probably be even more expensive and far more risky in the present business climate to start a greenfield venture.

So whichever way a foreign company wishes to move into South Africa, it will not find it easy or cheap.

● Britain's biggest bank, Barclays, might return to South Africa if political and economic conditions continued to improve, chairman Sir John Quinton said yesterday.

Barclays Bank withdrew from South Africa, where it had 1 000 branches and 25 000 employees, under political pressure in November 1986.

"We might open an office in Johannesburg when the political situation is more stable than now," Sir John told a news conference called in London to announce the bank's half-year results.

But he added: "We have no plans to become a major retail bank in South Africa."

An indication of a quickening perception in recent months of South Africa as a stable country is the fact that Barclays released £67 million (R320 million) of its South African debt provisions into its half-year profits.

Sir John said economic conditions in South Africa had improved over the past six months.

Visit by Japanese group heralds 'breakthrough'

Sowetan 15/8/91 (66)

By JOSHUA RABOROKO

ACTIVE facilitation of International investment has become the urgent challenge facing the South African banking sector following the G-7 summit announcement that the major Western economies stand ready to assist post-apartheid recovery.

The new head of NedPerm Bank's Asset-Based Funding Division, Mr Christopher Beatty, spelled out the challenge when he lifted the veil on a planned visit to South Africa by senior executives of Yamaichi Securities, Japan, and Yamaichi International (Europe).

Yamaichi is one of the largest Japanese Securities Houses. The visit is being laid on by Hamish Donaldson, a London-based consultant and personal contacts of Beatty's.

The visit will come after the world's seven major industrial nations (Group of Seven), including Britain, Canada, France, Italy, Japan and the United States cited in a declaration "an urgent need to restore growth to help reduce inequalities of wealth and opportunity" in South Africa.

It will also come after delegates from the International Monetary Fund and its sister association, the World Bank, visited South Africa following the lifting of sanctions against South Africa by the US.

Beatty pointed out: "The fact that such a visit is to take place within weeks of the American and Japanese decisions to ease sanctions and so soon after the G-7 summit in London suggests an 'irreversible change' of perceptions in international investment circles.

"The visitors, from London and Tokyo offices of Yamaichi, will be here in early August. I have been asked to give an appraisal on the economic and business scene.

"Nedfin Bank will obviously do all it can to facilitate this exploratory visit. The party is hoping to meet a cross-section of business and political leaders.

Beatty believes it premature to speculate on particular areas of interest. However, such a senior party would hardly be sent to South Africa unless the company was weighing investment prospects or considering extending its activities to the region.

He added: "We believe this to be the first such visit in the new investment era that could follow the G-7 commitment."

"On a macro level, access to the IMF and the World Bank is obviously of major importance to the country - but it is also that South African bankers develop relationship with overseas groups so that additional investment channels are opened up.

"The danger of financial service sector nationalisation, has, I believe, receded. Our sophisticated First-World banking system is a national asset that should be compromised in the kick-start phase to national renewal.

Japanese put investment on hold

B Day 8/10/91

MARC HASENFUSS

ALL Japanese investment in SA had been put on hold until sanctions were officially lifted, a spokesman for the Japanese trade consul said yesterday.

However, he indicated the sanctions were likely to go "in the near future".

Local car manufacturer Samcor said yesterday it was "eagerly anticipating" Japanese investment. In July, Samcor was reportedly "poised to start negotiations" on the purchase of shares by Mazda Japan.

Samcor spokesman Dirk de Vos said yesterday that no agreements had been formalised in the interim. He confirmed that possible negotiations could take place only when Japanese sanctions were lifted.

Samcor, the former Ford subsidiary in SA, is 76% owned by Anglo American with 24% held by the company's workforce.

Analysts said the Japanese company was negotiating to buy the workers' 24%.

A Japanese-SA trade expert said that despite positive developments locally, like the national peace accord, sanctions would remain until year-end in the light of the prevailing political violence in SA.

He said sanctions were generally expected to have been lifted at the end of July, following the lifting of US sanctions, but this was effectively halted by the Inkatha funding scandal.

The Japanese could not reward a "disgraced government" by lifting sanctions. But if effective steps were implemented to restore stability, sanctions could go before year-end, he said.

66

Mazda moves to buy into Samcor

(66)

B Day 22/10/91

MARC HASENFUSS
and MARCIA KLEIN

MAZDA Japan is set to take a 24% stake in vehicle manufacturer Samcor after yesterday's moves by the Japanese government to lift economic sanctions against SA.

Samcor, which assembles Mazda and Ford vehicles, has indicated that negotiations between itself and Mazda Japan would take place only when Japanese sanctions were lifted officially.

A spokesman for the Trustees of the Samcor Employees Trust (representing the workforce's 24% stake in the company) said that an offer from Mazda would be welcomed.

It will be business as usual for most local assemblers and distributors of Japanese products, despite the change in Japanese attitude.

Sources in the motor and electronic industries said yesterday the lifting of sanctions would have little or no effect on their markets.

A spokesman for the TV, audio and appliance industry said that many SA companies had long been trading openly with Japan and sanctions had "merely been a window-dressing".

Motor industry analyst Tony Twine said the lifting of sanctions was likely to have a muted effect.

He said the new-vehicle market had been in decline since 1988 and the easing of restrictions in motor related exports to SA would have little effect in a market where demand was still low.

Nashua MD Jac Moolman said that in 1988 Japan was under pressure from the US to impose sanctions. Since then, Japanese companies had tried to slowly decrease trade with SA. However, many companies were able to bring in a large amount of equipment by sourcing through third parties.

Since 1989 Japan had become more lenient. "Although sanctions were still on the books, they were not really being enforced," Moolman said.

He believed there would be no difference as SA already marketed almost every product which was produced in Japan, and he did not think Japan would want to become more involved in terms of investment.

National Panasonic MD Alan Coward agreed that there would probably be no effect, as sanctions against SA did not affect the flow of products.

Coward did not believe that Japan would make any investments in SA until the Japanese were convinced that nationalisation of industries would not take place.

Toyota executive chairman Bert Wessels said that although Toyota SA was not considering direct investment from Japan, a more supportive policy from Toyota Motor Corporation with regard to the export of vehicles and components would be beneficial.

Delta, which assembles Isuzu commercial vehicles, did not expect direct investment from Isuzu Japan.

FORMATION TECHNOLOGY

Key Japanese deals are expected soon

B/Day 24/10/91 (66)

Reports by MELANIE SERGEANT

WITH Japanese computer manufacturers grabbing increasing market share worldwide, this week's news that Japan is ending its sanctions on SA is good news for the economy and could ring some important changes for the computer industry.

It is believed some large deals regarding alliances and agencies have been on hold, and these could be announced soon.

BMI-TechKnowledge's Brian Niellsen believes Japanese imports comprise between R250m and R500m of SA's R2,5bn-a-year hardware industry.

A large component of these sales is mainframes from Hitachi, sold locally by Persetel, as well as laptops, many of which originate in Japan.

There are also large numbers of fax machines, photocopiers, laser printers and other items which come from that country, and which have been imported into SA during sanctions with few problems — although fax numbers, for example, were limited for a period.

Turning to possible Japanese investment in the IT market, Niellsen says many of the larger potential investor companies from Japan are multifaceted.

If they are represented in SA they will probably be well-positioned to operate in any number of industries which they feel are attractive — and computers could be one.

"I expect that there will be large numbers of trade envoys travelling between SA and Japan in the months to come, and that the lifting of sanctions will be good for our industry as a whole," he says.

Although he welcomes the dropping of sanctions, and says it may benefit SA's economy, Persetel MD James Smit says the Japanese move will have no effect on Persetel's lines of supply or on pricing.

"We have enjoyed a longstanding relationship with Hitachi and its trading partners, and don't see any change in this relationship now that sanctions have been lifted," he says.

Perseus MD Hermus Erasmus says there will probably be new Japanese companies moving into SA's computer market, and this will have repercussions for the industry.

He does not rule out the possibility of Perseus obtaining agencies for Japanese computer systems in the future, but says there is nothing planned for the short-term.

Nationalisation fear the great deterrent

Japan on slow SA return road

S/Times (Buss) 24/10/91 66

By CURT VON KEYSERLINGK and IAN SMITH

ALLEN COOK: Long-term view

JAPANESE companies will be hesitant to invest in SA as long as nationalisation remains possible, says Yoshiaki Murakame, economic consul in the Japanese consulate-general in Pretoria.

He says: "We are a capitalistic country and many Japanese companies will not hurry to invest in SA.

"We are keen to help black businessmen understand capitalism and are paying the expenses for two of a party of 30 on a study trip to Japan."

Mr Murakame says that with the exception of sales of certain vehicles and computers to apartheid-enforcing government agencies, all Japanese sanctions have gone. This includes visa restrictions.

Many Japanese companies have already visited SA with a view to increasing trade. Several trade delegations are expected soon.

Air links have not been negotiated, and although they are subject to no official restriction, practical difficulties may arise as Japanese airports are fully stretched.

Nissan SA managing director John Newbury says: "We anticipated the lifting of sanctions 18 months ago and have been talking about it with our Japanese suppliers since then. We expect a big increase in business with Nissan in Japan and see ourselves becoming a kojun or source plant for Nissan in certain countries in Africa and Mauritius."

Mr Newbury declines to comment on direct investment by Nissan Japan in the SA company.

Remote

Another motor manufacturer with Japanese links says the chances of direct equity investment in his company from Japan are remote. But there are good chances that SA-owned companies may form partnerships with Japanese suppliers for marketing components and vehicles made here and other parts of the world.

"This could be possible because of the generous export incentives to motor manufacturers and SA's growing acceptance as a trading partner.

"Japanese vehicle sales to the rest of Africa are a fraction of those here, but it would be worthwhile business for us."

He says one of his senior colleagues is in Japan to discuss the possibility.

Chief executive of Rand Mines coal division Allen Cook does not foresee early investment by Japanese in SA mines. But he does not rule it out in the long term.

Mr Cook says: "If they invested here it would be in new mines with exclusive supply agreements. They would not seek control, merely a stake. The Japanese have invested heavily in Canadian and Australian coal mines."

It is believed that a reason they do so is to cause an oversupply which keeps prices down.

Mr Cook says: "The lifting of sanctions will allow us to sell more coal to Japan. But I expect the increase to be modest in the short term."

Exports are likely to fetch better prices because much SA coal was sold cheaply during sanctions to cement manufacturers. They can readily switch from coal to cheaper materials. More exports to Japan would go to power utilities which pay more.

Freeze

Mr Cook says long-term coal export prospects are encouraging because Australia supplies 70% of Japanese utilities' needs. The Japanese also do not wish to depend on one supplier of a strategic commodity.

The Japanese Government acted a lot faster to remove sanctions — some of which have been in place for 20 years — than SA officials expected. Its moves to free business and diplomatic relationships are more comprehensive than the most optimistic businessmen forecast.

Observers say this reflects the pressure the Foreign Ministry in Tokyo has come under since a high-level delegation from Japan's Federation of Economic Organisations (Keidanren) visited SA last April.

Foreign Ministry officials stalled the announcement until the crucial vote at the UN on October 15 gave Japan its long-awaited seat on the Security Council.

Sanctions went within a week in spite of earlier suggestions that Japan would wait for the ANC to confirm that all political prisoners had been released.

Two-way trade between the two countries has risen from the freeze level of about $4-billion a year to between $5-billion and R6-billion, says SA Foreign Trade Organisation international manager David Graham.

Deputy Finance Minister Theo Alant has urged borrowers to explore the Japanse capital market, which is not a traditional source of funds for SA.

Bankers believe trade credit lines with suppliers will expand quickly.

Japan looks at SA projects

LESLEY LAMBERT

LEADING Japanese business groups are investigating billion rand capital projects in SA and Africa, the Department of Trade and Industry has disclosed.

A DTI official said Japanese business groups which had established contacts with his department were investigating several different SA projects that could be of interest to them.

Japanese investors were also considering capital projects in African countries in which Japan would be a major contractor and SA a major sub-contractor, the official said. 6/D cy 28/10/91

"A large Japanese group recently tendered in an African country on the basis that a South African engineering company would be the main contractor.

"Our transport network, financial infrastructure and knowledge of the southern African market should offer significant advantages to Japanese businessmen.

"The importance of a base like South Africa with its sophisticated financial sector will play a major role in decisions on investments in Africa by Japanese, European and American companies," he said.

While no specific incentives were planned for Japanese investors, the DTI said it believed SA could play a role in Japan's aggressive "globalisation policy" of foreign investment. (66)

However, there is some concern in the local industrial sector that Japan may continue to view SA as a provider of raw materials and be unwilling to invest in local projects to beneficiate raw materials.

In the meantime, Japanese officials in SA have warned that their countrymen will be hesitant to invest here if nationalisation remains a threat.

Comment: Page 8

Toyota SA lacks the drive of its Japanese cousin

66

B/Day 12/11/91

UCT economist NICOLI NATTRASS recently visited the Toyota plant in Japan and its Durban counterpart, and compared their operations

THE transformation of Toyota from a war-ravaged, strike-crippled and technologically handicapped company in 1950 to world leader by the late '70s, is synonymous with the Japanese economic miracle.

Quality circles, just-in-time production techniques and flexible specialisation were applied early in Toyota car plants. Toyota's stress on quality, elimination of waste, reducing inventories, quick die-changes, reprogrammable robots, the assembly of several models on the same line, and the use of worker-initiated productivity improvements is widely regarded as an ideal to be emulated in the '90s.

The most striking difference between the production line in Durban and at Toyota City, Japan, is the degree of mechanisation. I asked a Japanese executive familiar with the SA set-up about the differences. "The quality is better here," he ventured cautiously, "but it is still cheaper in SA to use welders. But if labour in SA gets much more expensive, this might change."

Understanding the importance of cost factors explains why flexible automation technology can be applied in different ways in different countries. The protectionist nature of the local market and the existing system of industrial relations both play an important role.

Toyota, Japan, relies heavily on the "multi-skilling" of workers. The flexible use of workers within and between its shops and factories can succeed only if workers are able to handle several machines or stations and perform many jobs. These abilities are linked to promotion.

Durban seems to have a different approach. "Rotational training" is only an option. There is little incentive to move out of familiar routines. "Why move out of a job you know to one you don't?" one worker said. "You only expose yourself to being shouted at by a white supervisor."

Management had a different interpretation of why relatively few workers request rotational training: "Blacks like repetitive tasks," explained the trainee manager who guided me around the plant.

Racist attitudes on the part of management are but one aspect of the difference between Durban and Japan. The nature of the bargain between labour and capital is the crucial factor. In Japan, employment is understood by labour and management to be a lifetime commitment to the company. The implicit bargain is almost impregnable job security, high wages and production-related bonuses in return for worker loyalty, co-operation and dedication to productivity.

Further, introducing productivity-enhancing changes is far more feasible when the parties trust each other. When workers operate on the faith that the benefits will be fairly distributed, then productivity growth is much faster, smoother and draws more on the intimate knowledge of the production process accumulated by workers themselves.

Trust in Japanese industrial relations is encouraged in various ways. Regular consultation between management and workers is built into the labour process. Labour-management council meetings are held 10 times a year to discuss wages, bonuses, working hours and the company's performance. These are supplemented by monthly plant and shop-level meetings, and weekly work group meetings. At Toyota City, more than 2-million suggestions (about 35 per worker) for improving productivity were handed to management in 1990. Of these, 97% were implemented.

Regular consultation has been prioritised by management ever since strikes crippled the company in 1950. It is a mistake to explain Japanese labour relations in cultural terms. Co-operation and consultation was a strategy born out of intense industrial conflict.

Industrial relations are very different in SA. In Durban in late July, Numsa was building up to a wage dispute. There was a palpable air of defiance in the plant, and the production line ground to a halt four times in an hour. There seemed to be problems with workers running out of parts and with the general speed at which tasks were being performed. The tour guide was becoming more irritated by the second.

"The blacks just think it's a big joke," he informed us testily. "They're supposed to call for more parts when they have less than 10 items in their bin. But not these guys. They wait for them to run out altogether, then they call for more."

"Can't they be disciplined?" asked a fellow visitor. "Phmp!!" snorted the guide. "You complain about anything and you get the union on your back."

The "us versus them" mentality was clearly evident on both sides of the labour-management divide in Durban. Nevertheless, Toyota management in Durban has attempted to introduce some aspects of Japanese labour relations into the plant.

Pointing out one example of a recently introduced production line improvement, the guide became enthusiastic: "This improvement falls under our siyacabanga scheme. Siyacabanga means 'we think'. If a worker comes up with three of these kinds of improvements, he gets a keyring and a mug. If he does more than that, he gets a T-shirt."

The mind boggled. I couldn't think of anything that could be more insulting and less motivating.

In Japan the rewards are small. The best ideas are usually rewarded with prizes, generally of not much more than token size. However, in the Japanese social environment praise by superiors, recognition by peers and improved promotional prospects are an important part of the reward. The material side can thus be downplayed.

But there is more to it than this. Toyota workers in Japan are organised into teams which compete for productivity bonuses. There is thus a strong incentive for workers to co-operate in quality circle activities.

Different processes are at work in SA. Insipid, uninspiring slogans adorn the production line. It is difficult to imagine anyone being inspired by them. It is equally difficult imagining workers throwing themselves wholeheartedly into team efforts when (albeit puny) rewards exist for individual effort.

In SA, with production geared towards the oversupplied but protected domestic market, there is little incentive for management to force the factory onto the cutting edge of technological advance, including multi-skilling of workers and seriously encouraging productivity improvements. If, on the other hand, the plant was exposed to international competition, the story might be different. For this reason, it may well be in the interests of the labour movement to include the gradual removal of protection in its demands for industrial restructuring.

Removing protection will drive some firms out of business. This would be in the interests of economic efficiency. That unfortunately means unemployment for those workers employed in those firms. But in the cut-throat world of motor vehicle production, there is a greater convergence of interest between workers and bosses in each particular company than there is between workers across the industry — raising questions about the future of centralised wage bargaining.

The industry needs to become less protected and more exposed to international competition. And labour and capital in each enterprise must enter into a more constructive relationship, as the fate of each company will hinge upon it.

☐ **This is an edited version of an article in the latest edition of the SA Labour Bulletin.**

COMPANIES

Japanese bank looks into SA

LONDON — Sumitomo Bank, one of Japan's Big Three, yesterday confirmed it was exploring the possibility of doing business with SA.

"We will probably resume contacts with South African banks from whom we have had a number of approaches," said an official at Sumitomi wao declined to be named.

"But we are keeping a low key approach and only considering the situation at the moment." BID ay 26/11/91

He could not confirm a report that Sumitomo would be making an on-the-spot assessment of SA as a prospective investment but added: "We like to keep every door open."

Sumitomo Bank's interest follows fact-finding visits by Nomura International, a subsidiary of the world's biggest securities house, and Mitsubishi Finance.

JOHN CAVILL

Commenting on the discussions in SA by Nomura International's president, John Howland-Jackson, a spokesman said: "It was exploratory. Mr Howland-Jackson met a wide range of people but nothing was agreed or signed.

"Now that sanctions are ending we regard SA as a new business area which has opened up for us. There is a lot of interest," she said. (66)

During its visit to SA, a Nomura delegation met several government agencies, the Independent Development Trust, Eskom and the ANC.

It is also reported in London that Dalas Securities, another giant Japanese investment group had already visited SA but no official confirmation was obtainable here yesterday.

Mercedes SA and Mitsubishi talking about LCV venture

(66)

S/Times (Buss) 19/1/92.

By DOUG KEMSLEY and DON ROBERTSON

TWO of the world's automotive giants are considering the production of a new light commercial vehicle (LCV) in a joint venture in South Africa.

Mercedes-Benz SA (MBSA) chairman Christoph Köpke says parent company Daimler-Benz AG and Mitsubishi Corporation have held preliminary discussions on the matter.

"Daimler-Benz AG and Mitsubishi are certainly exploring avenues worldwide for means of possible co-operation and a small commercial vehicle manufactured in our East London facility, was one of the possibilities discussed," says Mr Köpke.

This is the second Japanese corporation with which MBSA has closely liased with a view to joint ventures.

The company, which is the only Mercedes-Benz car manufacturer outside Germany, has been making Honda cars in East London since 1982.

Last month, a new deal was negotiated with Honda Motor Corporation. It will result in 10 000 component kits being imported. This compares with 7 000 last year, which effectively restricted sales of the popular car.

Mr Köpke says: "Mercedes-Benz AG sees MBSA as its spearhead into Zambia, Namibia and Botswana and we will supply most commercial vehicles for these markets from East London."

The move for greater co-operation between Daimler-Benz and Mitsubishi is expected to affect the relations between another SA motor-maker, Samcor, and Mitsubishi Corporation.

Sigma, which became Samcor when it amalgamated with Ford in 1985, made Mitsubishi cars and commercial vehicles. Production of passenger vehicles stopped shortly after the deal.

Samcor still makes Mitsubishi Canter nine-ton vehicles, the L-Series comprising the Star Wagon and Express minibuses and one-ton light commercials at its Pretoria plant.

The Mazda B2600 4x4 pick-up, made by Samcor, has a Mitsubishi engine. Samcor imports the V6 4x4 Pajero.

Speculation is that because Mazda and Samcor are coming closer, Mitsubishi may be seeking to retain a foothold in SA.

Mazda is contemplating acquisition of a 24% stake in Samcor. The 24% holding went to Samcor employees after Ford quit SA.

Mr Köpke also dislcosed that MBSA had budgeted for an investment of R445-million in the next five years.

"New model introductions will account for half of this investment and the balance will be spent on upgrading facilities at four operating locations.

"The investment in new models has been earmarked for a Mercedes-Benz in 1995 and an eventual replacement Honda in 1996 as well as for upgrading various commercial vehicles."

The latest Honda will be launched in the middle of this year. The 1996 vehicle will be the usual four-year replacement.

It is believed that the S-class Mercedes-Benz models, which will be replaced early next year, will be imported in semi-knocked down (SKD) form and assembled in East London.

Although MBSA will not comment, speculation is that the new Mercedes-

□ To Page 2

Mercedes

S/Times 19/1/92 (Buss)

□ From Page 1

Benz model is the 190, due for replacement in Europe. It could be shipped in SKD.

Mr Köpke says political changes introduced by President De Klerk as well as the refreshing focus by the Department of Trade and Industry on an export-oriented economy will result in tremendous opportunities for MBSA. (66)

Japan sees SA as gateway to African trade

SHERIDAN CONNOLLY

THE referendum and the possibility of future nationalisation in SA were factors causing concern among potential Japanese investors, visiting Japanese academic Anatole Goshi said in Johannesburg yesterday.

He said political instability was a serious threat to investment in SA. Japanese investors were perturbed about the potential nationalisation of SA's mines as nationalisation was not seen as a viable solution to SA's economic problems. B/Day 5/3/92

Goshi said Japanese companies had earmarked large sums of money for investments overseas, which included SA. He said Japan had much to offer SA in the way of skills development, trade and manufacturing experience, as well as job creation.

SA was the gateway to trade with the rest of Africa, and Japan therefore hoped to establish regional "headquarters" in the country by the turn of the century, Goshi said.

The Japanese economy had come under pressure from both the US and from recent scandals which rocked investor confidence in Japanese financial and stock-market circles, he said. Japanese authorities were as a result now under pressure to stimulate the domestic economy.

Goshi said Japan's prime minister had envisaged a 3,5% growth in GNP for the current year. The Japanese government planned to invest in civic projects. This would provide SA exporters with good opportunities to export goods to Japan.

As a professor of management at Nihon University in Tokyo, Goshi spends about two months each year in SA consulting on ways to approach new business opportunities opening up worldwide.

Japan warns SA against 'no' vote

B Day 16/3/92

TOKYO — Japan's most powerful business group warned SA whites on Friday that they will face the cold shoulder from Japan if they vote "no" in tomorrow's referendum.

The Federation of Economic Organisations, Japan's most powerful business group, is to send an economic mission to SA and other southern African nations in May, a senior federation official said.

"But we may have to suspend the mission if the whites vote 'no' to President De Klerk's apartheid reforms and SA will face isolation again," the official said.

The federation is considering closer economic relations with southern African nations on the assumption SA can be an economic engine for the region, he said.

"But the situation will change completely if SA faces economic sanctions and international isolation again," the official said.

Japan and SA agreed on January 13 to set up full diplomatic relations, upgrading links from consular level.

Last October, Japan followed the US and other nations in ending economic sanctions against SA, apart from sales of computers for military use.

"During the economic sanctions, Japanese companies had to keep a low profile, to avoid international criticism that Japan was the largest trading partner of an apartheid country," the federation official said.

On Saturday, Finnish Foreign Minister Paavo Vayrynen said it was important the ongoing reform process in SA continued uninterrupted, saying Codesa marked a turning point in the reform process.

Commenting on the March 17 referendum in a statement issued by Finland's embassy in Cape Town, Vayrynen said: "Finland emphasises once again, on the eve of the forthcoming voting to be held in SA, the importance of the ongoing reform process for the country and its future.

"Finland thus expresses her strong wish that this process continues uninterrupted. If this happens, the obstacles to abolishing the national sanctions still in force in Finland can be removed promptly."

Last week Denmark, the only EC member that still bans trade with SA, said it would lift its embargo if SA whites voted "yes".

Foreign Minister Uffe Ellemann-Jensen had informed De Klerk and ANC leader Nelson Mandela of the decision, a ministry official said.

But Ellemann-Jensen's action, taken after a meeting of parliament's Foreign Affairs Committee, provoked protests from opposition MPs who had wanted to impose further conditions before lifting sanctions.

Three centrist and left-wing opposition parties want Denmark to lift its trade ban only if De Klerk wins a "yes" vote in the referendum, promises there will be no more whites-only referendums and pledges to continue dismantling apartheid.

Ellemann-Jensen rejected their demands, saying it would be "not only ridiculous, but also dangerous" for the reform process if Denmark expected De Klerk to give special guarantees at such a difficult time.

Denmark's 11 EC partners last year voted to lift their ban on imports of gold coins, iron and steel from SA to encourage De Klerk's reform process, but the Danish opposition blocked the move for nine months until it was satisfied the pace of reform was being maintained. — Sapa-Reuter.

JAPAN-SA TRADE RELATIONS

A Business Times Feature

Japan — market for the taking

(66)

STimes (Buss) 22/3/92

WHEN the noose of sanctions began to tighten in 1987, Japan was South Africa's largest trading partner.

The Japanese have always considered trade the most sacrosanct of activities. It was with great reluctance — and a modicum of pressure from foreign governments — that it started to downrate SA as an export market.

Banned were steel imports, exports of arms, computers and certain vehicle types, new investment and loans to SA, and in the process Japan relinquished its top trading status to Germany, Italy and Britain.

But in October last year Japan announced the lifting of sanctions against SA, a move attacked by black opposition groups as premature. The consular office has since been upgraded to an embassy.

Japan is the world's second-largest economy, after the US, and certainly the most dynamic. SA accounts for less than 1% of Japan's trade, but as Japan's consul in SA, Yoshiaki Murakami, points out: "SA is still one of the most important trading partners for Japan."

About 80% of Japan's land mass is mountainous and therefore unsuitable for any form of economic activity. It is a country with virtually no natural resources other than an enormous reservoir of human skills, compelling it to import virtually all its raw-material requirements.

The domestic market proved too small for this island nation, which remained cloistered and inward-looking until the Meiji restoration in 1868, an event which heralded the birth of modern Japan after 600 years of feudal rule by military shoguns.

Japan's success in the world export markets is nothing short of astounding, culminating in a trade surplus of close to US$100-billion in 1991, equal to SA's gross domestic product.

SIMON ORGAN . . . 'SA has to emerge from isolation as an industrial nation'

日本／南アフリカ貿易調査結果

Japan used to be South Africa's largest trading partner. Now that sanctions have been lifted and Japan has upgraded its South African consulate to full embassy status, the potential exists once again to build up our trade relations. CIARAN RYAN reports

Obedience

Countless books and academic tomes have attempted to analyse the cultural and philosophic dynamics behind Japan's economic success.

Why is it that a simple word from Japan's prime minister is sufficient to command obedience from the country's leading industrialists at a potential cost of billions of dollars in lost business?

The Japanese never legislated sanctions into being. The government simply urged self-restraint from those corporations trading with SA.

The unity of purpose among Japanese corporations smacks of nationalism. Competing companies will co-operate in developing new export markets for the broader good of the country. This has infuriated the Americans, who can only stand and watch as the US car market slips increasingly into Japanese hands.

Acumen

The Japanese have had a long-established presence in SA. Toyota, Nissan and National Panasonic have been represented in SA for nearly 30 years. Japanese cargo and fishing vessels have been calling in at Durban and Cape Town for decades.

After some hesitation, SA's ruling National Party felt compelled to extend the status of "honorary whites" to Japanese visitors as a sort of acknowledgement of their superior business acumen.

Today a host of Japanese brands are household names in SA: Sony, Akai, Aiwa, Toshiba, National Panasonic, Hitachi, Fuji, Toyota, Nissan, Mazda, Kawasaki, Honda — all names synonymous with quality and performance excellence. Roughly half the cars sold in SA are Japanese. National Panasonic is a market leader in consumer electronics. Yet the Japanese population in SA is little more than 500.

In virtually every field of advanced technology Japanese products dominate SA relies to an increasing extent on Japanese technology in industry and consumer products. Machinery accounts for more than three-quarters of SA's imports from Japan.

With the lifting of sanctions, a wave of new technology — from industrial machinery to computers — will start to appear in SA The race to improve export competitiveness in SA will depend to a large degree on access to Japanese technology.

For SA, there is little scope to export anything other than raw materials to Japan Barring a few exceptions, SA's manufactured products fall below the quality expectations of discerning Japanese consumers

Mr Murakami says there are opportunities for Japan to increase its imports of raw materials from SA· "On the other side, SA has some strong attractions for Japanese tourists and this is a market which I think will grow."

Disastrous

Simon Organ, a director of investment research company, Nichi-Nan-A Kenkyusho (Japan-SA Research Institute), which investigates SA-Japan opportunities, says there is scope for adding value to SA's raw material exports by beneficiating them locally.

"The allure of exciting, reopened markets is potentially disastrous if culminated in the signing of lengthy supply agreements for our raw materials. As with Japan in the Forties, SA has to emerge from its isolation as an industrial nation. And the Japanese must surface as partners in industry, not trade."

And therein lies the crux. SA needs Japanese investment for the kind of economic growth required to create a climate of peace and prosperity in the new SA. So far, Japanese corporations are merely observing SA. When political violence subsides and an orderly reform process is assured, SA will become an inevitable vehicle for Japanese investment.

There seems little doubt that in a few short years Japan will re-emerge as SA's largest trading partner despite SA's protectionist policies, designed in the sanctions years to protect local industry

Generous

Without protection, SA's car industry would have been stillborn It has been mooted that the motor industry is one area in which the Japanese are keen to invest, given SA's generous export allowances. How would the industry fare with lower import protection and, presumably, lower export allowances?

These are factors the government will have to consider when choosing an appropriate economic path for the country.

JAPAN
BALANCE OF TRADE (R MILLION) WITH SOUTH AFRICA

YEAR	SA IMPORTS	SA EXPORTS	TRADE BALANCE
1985	2 279	2 839	(+) 560
1986	3 226	3 268	(+) 42
1987	3 934	3 606	(−) 328
1988	5 212	3 287	(−) 1 925
1989	5 248	3 898	(−) 1 350
1990	4 341	3 889	(−) 452
JAN-SEPT 1991	3 438	3 755	(+) 318

JAPAN
STATISTICAL PROFILE

GENERAL			
HEAD OF STATE	: Emperor Akihito.		
INTERNATIONAL TRADE AND INDUSTRY MINISTER	Mr Eichi Nakao.		
LAND AREA	: 377 800 km².		
POPULATION	: 124 million.		
ECONOMICAL			
GNP GROWTH RATE (%)	: 5,1 (1990) 3,0 (1991 projected).		
PER CAPITA GNP	: US$26 018 (1990) US$25 810 (1991 projected)		
INFLATION (%)	3,0 (1989) 2,8 (1990) 3,0 (1991).		
INTEREST RATE (PRIME)	: 7,5% (March 1991)		
DISCOUNT RATE	: 4,5%		
EXCHANGE RATE	: US$1=128,75 Yen; R1=45,4 Yen.		
TRADE SURPLUS	: US$100 billion (1991).		
TRADE			
TOTAL EXPORTS	: US$283,68 billion (1990). US$295,00 billion (1991 projected).		
TOTAL IMPORTS	US$229,29 billion (1990) US$239,84 billion (1991 projected).		
MAJOR EXPORT MARKETS	US	US$90,32 billion	
	Germany	US$17,78 billion	
	South Korea	US$17,46 billion.	
	Taiwan	US$15,43 billion	
	Hong Kong	US$13,07 billion.	
	UK	US$10,79 billion	
MAJOR IMPORT MARKETS :	US	US$52,37 billion	
	Indonesia	US$12,72 billion.	
	Australia	US$12,37 billion	
	China	US$12,05 billion	
	South Korea	US$11,71 billion.	
	Germany	US$11,49 billion.	
	Saudi Arabia	US$10,46 billion.	
INVESTMENTS			
JAPANESE DIRECT INVESTMENT OVERSEAS	: US$27,68 billion (April-September 1990).		

Here's an export office which is actually promoting imports

STimes (BUSS) 22/3/92

ONE of the ironies born out of Japan's staggering trade surplus is a government-sponsored export body that promotes imports.

The Japan External Trade Organisation (Jetro), formed to assist Japanese corporations to capture new export markets, was instructed 10 years ago to concentrate on import promotion as part of the country's campaign to reduce its US$100-billion trade surplus in 1991.

Hideichi Okamoto, Jetro's Johannesburg director, says: "We now spend 80% of our time promoting imports. But the scope for increasing imports to Japan is dependent on the rate of growth in the Japanese economy, which will be about 3% this year, well down from last year's level of about 4%."

Jetro, a semi-government body, has been represented in SA since 1961. During sanctions its SA representation was downgraded to reflect SA's pariah status. Now that sanctions are lifted, Mr Okamoto says, relations will normalise although he does not see much scope for increasing trade volumes immediately.

"There is potential for increasing gold, diamonds and platinum exports in view of the strong growth in the Japanese jewellery market. Raw material imports will pick up when the rate of growth in the Japanese economy improves. This year economic growth will be about 3%, which is much lower than in previous years."

Trade between SA and Japan was worth $3,3-billion (R9,2-billion) in 1990, with the balance of trade weighted slightly in SA's favour. In the first nine months of 1991 SA increased its imports from Japan by 13%, particularly in the area of motor components, audio-visual equipment and industrial machinery.

Japan scaled down its imports of gold, vanadium oxide, chromium ore, aluminium and foodstuffs, but increased imports of iron and manganese ore, ferro-alloys and pulp.

Mr Okamoto says growth in the Japanese economy will be spurred by land prices: "Some of the most expensive real estate in the world is found in Japan.

Pressure

"Companies tend to bond the land and invest the borrowed money, but now that land prices are falling their collateral is worth less. Until recently land prices increased by between 20% and 25% a year, but last year were down to 7%."

The Japanese success story was built on exports but its major trading partners — particularly the US — put pressure on the Japanese to open their economy to foreigners. Responding to this pressure, the Japanese government embarked on a drive to liberalise its financial and goods markets. According to a Barclays Bank report on Japan, the trade surplus will decline to $20-billion by 1994.

Mr Okamoto says there is little prospect of reducing the trade surplus with European trade partners.

"Many European countries are not interested in the Japanese markets. It is much simpler to focus on nearby markets than try to penetrate a market many thousands of miles away."

One area which is likely to boom is tourism to SA from Japan. In 1990 5 000 Japanese visited SA, many of whom were businessmen. Provisional figures for 1991 suggest that 10 000 Japanese visitors came to SA. More than 11-million Japanese travel abroad each year, representing a huge potential market for SA, which has excellent golfing facilities and sophisticated game parks, two qualities highly rated by the Japanese.

"The Cape of Good Hope is considered very famous by Japanese visitors. The type of holidays preferred in Japan are generally packaged, with plenty of emphasis on scenic tours, golf and safaris. They like to spend a few days at a number of different resorts."

There are no direct flights to and from Japan, nor is there much call for such a service until traffic between the two countries increases. At present travellers to Japan generally catch connecting flights in Taiwan, Hong Kong or Singapore.

Mr Okamoto says Japanese investment in SA, when it comes, will focus on job creation. The deputy president of Nafcoc (National African Federated Chamber of Commerce), Archibald Nkonyeni, has been invited to Japan to assess various areas of co-operation between Japan and SA.

Conducting business with the Japanese — the Japanese way

S Times [Buss] 22/3/92

66

GERMANY, Britain and the United States have successfully cracked the Japanese market. There is no reason why SA cannot do the same, says Yukio Sato, a Japanese consultant with Omega Research, an SA-based business research company with a strong emphasis on Japan.

Omega publishes a newsletter which is distributed internationally to non-Japanese companies with details of events and opportunities in Japan, explaining how to deal with Japanese companies.

Negligent

In addition, a fortnightly brief is translated into Japanese and sent to Japanese businessmen with an interest in SA. Omega includes among its directors MP Denis Worrall.

This list of the do's and dont's of dealing with Japanese businessmen was compiled with the help of two Japan experts, Simon Organ, based in Johannesburg, and Yukio Sato, based in London.

- Think long term. The Japanese are in business for the long haul — their time horizons extend decades, even hundreds of years, into the future.

"If you are looking for a quick killing, look elsewhere," says Mr Sato.

He says SA businesses should learn from the British experience. Japanese business etiquette training courses have boomed only during the past three years, although Japan has maintained a strong presence in the UK for more than 10 years. The Japanese perceive Britain's tardiness in learning Japanese business practice as negligent.

- Develop relationships. You should not expect to deal with Japanese customers on a deal-by-deal basis. Mr Sato says Japanese business is essentially a network of long-term relationships between companies and suppliers.
- Build trust. The Japanese take time to build a relationship as they are initially guarded with strangers. Once trust is established it must be honoured and maintained — for life.
- Learn how the Japanese manager-and-company system works. There is deep respect for seniors, and juniors defer to their bosses in several ways: allowing them to pass through doors first, bowing deeply as a token of respect — there is no handshaking in Japan although Japanese businessmen are generally accustomed to the Western handshake.

Simon Organ says it is often better to observe Western codes of respect, such as a polite handshake, than to make a mess of Japanese etiquette.

Decisions are made on a committee basis in Japan, and a senior will never make decisions on behalf of a junior.

Geisha

The presentation of gifts is an integral part of business in Japan and the wrapping is just as important. When receiving a gift, admire the wrapping but do not open it in front of the giver.

It is customary to entertain visitors in Japan, and a visit to a geisha house may be arranged for you.

- "Familiarise yourself with Japanese business etiquette," says Mr Sato. "Nobody would suggest that you become Japanese to do successful business. But knowing and observing a few simple rules, such as the right way to present and exchange business cards, will contribute more than you may imagine to developing a relationship."

The correct way to present and receive a business card is with both hands. Show interest in the card, acknowledge it, study it for a while and do not put it in your pocket.

Mr Organ says etiquette dictates that you place the card on the table for the duration of the meeting, positioning the cards to reflect the seating arrangements. This enables you to identify each person in the meeting.

Cards should be printed in Japanese on one side and English on the other. The card will generally tell you (in the subtlest way) much about the person you are dealing with.

- Understand Japanese customer culture. The customer is god and gods have the highest expectations, says Mr Sato. A British automotive component supplier to a Japanese car manufacturer was chagrined when upbraided for weld splatter on the silencer, even though this had no effect on the part's performance.

Quality and reliability — such as delivering when you say you will deliver — are considered paramount in business.

Stability the key to growth

S Times (B455) 22/3/92

66

JAPANESE Investment could play a decisive role in promoting economic growth in SA.

But irreparable damage has been done to the economy by apartheid, which cost the country billions in lost Japanese investment, says Godfrey Busschau, a Japan expert with Pacific Rim Consultants.

"The Japanese have identified Brazil, southern Africa and mainland China as growth markets. I do not see any investment pouring in here until conditions are more favourable."

Economists say SA's high company tax, high interest and inflation rates, high import tariffs and labour instability scare investors away. Particularly worrying for the Japanese is talk of nationalisation by the ANC.

"Japanese investment will only come to SA when there are signs of political stability and return on investment improves," says Japan expert Simon Organ. This means better incentives, lower company tax and interest rates, inflation under control and labour stability.

Minister of Trade and Industry Derek Keys says the government does not propose to give foreign investors a better deal than that offered to SA investors.

He says: "There are four factors which would have a crucial bearing on any future SA government's trade and investment policies.

Notice

"One, growing internal markets for decades ahead. Two, industrial development for basic internal supply with low tariffs for goods not locally made.

"Three, the need to stimulate exports through world-scale, value-adding plants and the encouragement of exports of manufactured goods, and, four, the benign consequences of our position in the region.

"These factors also constitute the basic reason for taking economic notice of SA, for foreign investors who are not already here to consider the question of entry and for those who are here to look for repositioning of growth."

Japan's consul in SA, Yoshiaki Murakami, says import tariffs as high as 110% on vehicles prohibit their import from Japan, which could substantially reduce the retail price of vehicles in SA. The reduction of import tariffs would not only improve trade between SA and Japan but would promote the transfer of much-needed technology.

The result of SA's protectionist policies, forged in response to international sanctions to keep foreign competition at bay while local industry was given a chance to develop, is high inflation and inefficiency in several key industries such as textiles, footwear and clothing.

In years gone by import substitution was seen as a patriotic endeavour, and the government responded by raising import tariffs more or less on demand

As sanctions crumble, the need to protect inefficient industry is no longer so persuasive as SA moves closer to an accord with GATT (General Agreement on Tariffs and Trade).

Mr Keys told Business Times the government was committed to increasing competitiveness among SA firms.

Appropriate

He says: "Lower tariffs have an important role to play in this process (of increasing competition). SA has made an appropriate offer of lower tariffs as part of the Uruguay round of GATT's negotiations, and these will be implemented over a period once this round is finalised.

"These reductions and any further reductions will be made over a period and in consultation with the businesses affected by them so as to minimise any adverse effects on employment or market disruption."

An issue frequently raised by foreign investors is the gradual decline in gross domestic fixed investment (GDFI). Why, they ask, should they invest in SA when local investors are scaling down their investment?

Financial institutions place the bulk of their cash flows in the financial markets and property rather than into greenfields developments which would create job opportunities and economic growth.

Mr Keys says the decline in GDFI is a response to infrastructural overcapacity in the public-sector fields of electricity and transport, while investments undertaken for strategic reasons during SA's period of isolation are coming to an end. He says the private sector is cautious as it re-orients itself in the direction of reintegration into the world economy.

To attract local and foreign investment, Mr Keys says, existing incentives such as accelerated tax write-offs for export-oriented minerals beneficiation are sufficient to encourage new investment.

"There are large projects in planning in the private sector which are based on the current level of incentives, and the government will be monitoring the quantum of investment activity closely before deciding on further action."

Mr Organ says Japan can play a vital role as educator, partner and banker to SA business.

"Japan is interested in the growing African markets. Its decision to drop sanctions should be identified as a sign of confidence, not in the current policies and socio-political situation, but rather in the long-term future of the country. SA, therefore, needs to adopt an extended time-frame of reference when dealing with Japan."

DEREK KEYS ... 'no better deal for foreigners'

Toyota still leads the pack

S| Times [Buss] 22/3/92

66

NEARLY half the motor vehicles sold in SA are Japanese. For many South Africans vehicle brand names such as Toyota, Nissan, Mazda and Mitsubishi represent the quintessential Japanese consumer product — quality at an affordable price.

But leader of the pack in the SA vehicle market, by a long shot, is Toyota, now represented in SA for more than 30 years. Toyota SA is controlled by Wesco on behalf of the directors of the company. It is licensed by Toyota Motor Corporation to manufacture in SA.

Figures released by the National Association of Automobile Manufacturers of SA (Naamsa) show that Toyota increased its passenger and commercial vehicle sales to 7 784 in February, representing 31,5% of the total SA market.

Improve

Second was Volkswagen with sales of 4 164 or 16,9% of the market, followed by Nissan with 3 703, or 15% of the market.

Samcor's share of the market (Mitsubishi and Mazda) in February was 8,4%, although its share of the vehicle market for 1991 was 10,4%.

Toyota looks set to improve its share of the passenger-vehicle market this year. From 24,7% in 1991 its penetration of the passenger-vehicle market shot up from 23,3% in January to 30,1% in February.

The vehicle market is seen as a barometer of economic performance, but total sales in 1991 were 8% lower than in 1991, significantly greater than the decline in economic activity.

Toyota reported a decline in vehicle sales of 8,1% for the year, from 96 627 units in 1990 to 88 796 units in 1991, due in part to a work stoppage which occurred throughout the industry during wage negotiations in 1991.

Situation

Toyota has been one of the star performers on the JSE for several years. Last year it was ranked 25th in the Business Times Top 100 survey, with a return to shareholders over five years of 47,6%.

Despite the drop in vehicle sales Toyota improved turnover by 11,2% to R3,47-billion in the year to December 1991. Earnings per share were 297,3 cents, 7,6% higher than the previous year.

Executive chairman Bert Wessels says new vehicle sales will increase by 4,3% in 1992, but the increase will only manifest itself in the latter part of the year.

"Much will depend on whether the economic situation will improve during the second half of 1992, as well as whether a relatively stable labour situation can be maintained throughout the year."

Toyota started in SA in 1961 when Dr Albert Wessels imported 10 Toyota bakkies to the country. By 1966 the first locally assembled Corona rolled off the production line and today it produces and sells more cars than any other manufacturer. Today Toyota (Japan) is second only to General Motors in terms of world vehicle sales.

The first Toyota Corolla in SA was produced in 1975. It became the top selling vehicle in the country, followed by the Toyota Cressida. With these two winners, Toyota increased its share of the SA vehicle market for several years running.

Phase VI of the local-content programme requires 75% of the value of each vehicle sold in SA to be locally produced. Car manufacturers were required to invest millions in tooling and equipment, and Toyota, when its investment programme is complete, will have poured about R1,4-billion into tooling for new models and additional facilities required to meet the local-content programme and to assist component suppliers.

Nat Panasonic leads electronics

S Times (Buss) 22/3/92 (66)

ALAN COWARD
'Japan willing to help'

ALAN COWARD, National Panasonic's managing director, is delighted that Japan has lifted sanctions against SA.

He says: "We were denied certain products during sanctions, particularly computers and new office equipment technology. Now that sanctions have ended the range of products we can offer will expand.

"We can also get into new market areas such as notebook computers, which our research tells us will take over from the personal-computer market."

National Panasonic, a wholly owned Barlow Rand subsidiary with annual turnover of R500-million, is SA's market leader in consumer electronics. It has distribution agreements with Matsushista Electric Company to manufacture and distribute a range of consumer electronics in SA.

Mr Coward says the lifting of sanctions has resulted in lower prices for a range of products and greater competition between suppliers.

"There is also a great willingness in Japan to help SA now that trade relations have been normalised."

Nearly 25% of the 340 000 TV sets sold in SA each year, which are subject to local-content requirements, are manufactured by National Panasonic. TVs, audio equipment and M-Net decoders are manufactured under licence agreements.

An important market for Panasonic is business machines. About 20% of the 30 000 fax machines sold annually in SA are National Panasonic brands. It is the world's leading brand in TVs and videos.

A huge investment in research and development by Matsushista has resulted in a staggering product range.

The business-machine market includes broadcast equipment, closed-circuit TV, intercom systems, copiers, fax machines, typewriters, dot matrix printers, shredders and pagers. Soon to be added are notebook computers, an item specifically proscribed when sanctions were in force.

Stimulate

The consumer division markets and distributes videos, video cameras, hi-fis, TVs, microwaves, audio equipment, cordless phones and a limited number of white goods.

"Matsushista's success was built on marketing through mass outlets on the consumer side and providing excellent service back-up, both to the consumer and dealers. Panasonic technology is second to none, and a customer buying a Panasonic product wants to know that he is getting quality at a good price, with service when it is needed."

Mr Coward says much of the growth in sales this year will come from business systems and educational products. New products in the business-systems market help to stimulate demand but growth will be curtailed until there are signs of economic recovery.

"The market will grow, but only in five or six years. We take a long-term view of the market, as do the Japanese."

Times Feature

Sumitomo — example of a world giant

SI Times (Buss) 22/3/92

ONE WAY for SA companies to gain quick access to the Japanese market is through one of several trading houses operating in SA.

The bulk of trade between Japan and SA is handled by the "Big Six" trading houses: Mitsui, Sumitomo, Mitsubishi, Marubeni, C-Itoh and Nissho-Iwai.

The Japanese trading house is a concept unique to Japan, where regional offices all over the world source raw materials for various industries while marketing manufactured goods on behalf of Japanese and other countries' manufacturers.

Sumitomo Corporation, started 400 years ago while William Shakespeare was penning Hamlet's final stanzas, has developed into one of the world's largest industrial, financial and commercial enterprises.

The growth of Sumitomo reflects that of the Japanese economic miracle. Its annual turnover is a gigantic R400-billion, dwarfing the South African economy. It is the second-largest trading house in Japan and a major driving force of the Japanese economy, with annual turnover a little less than 20% of Japan's gross national product.

Yet few people in SA have heard of Sumitomo despite its 25-year presence in SA. Throughout the period it has been a major force in facilitating trade between Japan and SA.

The Johannesburg branch, one of 140 such offices around the world, is headed by Shigefumi (Stan) Noda.

Penetrating

He told Business Times: "We are chiefly involved in importing machinery, manufactured steel products and industrial products from Japan. This accounts for 40% of our business.

"The balance is made up of exports to Japan: minerals such as iron ore, manganese ore, ferro-chrome for our steel industries, and gold and platinum for the jewellery industry and other raw materials.

"Dealing though a trading house is the most efficient way of penetrating the Japanese market. But there is very little in the way of manufactured products that could be exported to Japan. The Japanese market is already very developed in this regard."

Sumitomo was founded by Masatomo Sumitomo, a samurai warrior who renounced his warrior status and entered the Buddhist priesthood. He opened a shop selling books and medicine in the ancient capital of Kyoto. The business was based on the principles of integrity and sound management rather than profit for its own sake.

Accelerated

The company started to take off in 1590 when a family member discovered a technique for extracting silver from crude copper using lead, an innovation that revolutionised the copper industry and prompted the Sumitomo family to enter mining. It became Japan's leading refiner and exporter of copper. The group's growth accelerated after the discovery of a massive copper deposit in Besshi in 1690.

Japan's modernisation started in 1868 when the Meiji Restoration brought an end to feudalism. Sumitomo branched into a range of new enterprises: electrical and chemical industries, warehousing, financing, and machinery production.

A turning point for Japan's motor industry

B/Day 30/3/92 66

TOKYO — Nissan's newly named president said on Friday the Japanese car industry was at a "structural turning point", and he would have to reduce working hours, spending and trade friction all at once.

Yoshifumi Tsuji, a 64-year-old former production engineer, will take over in June from Yutaka Kume, who moves to the chairmanship, replacing the retiring Takashi Ishihara.

Kume, 70, who also rose from the production side, helped rejuvenate Nissan's product line during his seven-year tenure. But he leaves at a time when the number two car maker could face its first operating loss since 1987 in the second half of fiscal 1992.

Tsuji, like Kume a graduate of Tokyo University's engineering department, "is an important choice for the next steps at Nissan", said Steve Usher, an industry analyst for Kleinwort Benson Securities.

Nissan is considered one of the least efficient of Japan's car makers in terms of labour costs. Nissan's costs were the highest of Japan's "Big Five" car companies as a percentage of sales, he said.

Adding to Tsuji's headaches are a recession that has dampened global demand, and trade pressures to cut working hours and exports, and to hold steady in market share in the US, the company's largest foreign market.

In the past, Japan's top car makers often exported their way out of a downturn; today, because of frictions with Washington and Detroit and weak overseas demand, that may not be an option.

In part because of this, Japanese car makers are raising prices and lengthening model cycles. Nissan has already announced it will extend the time between new models for its main lines from four to five years.

"Most people feel this is a structural turning point in the auto industry," Tsuji said at a news conference.

At the same time, the company is in the middle of paying for its aggressive expansion into the US and Europe beginning in the 1980s, when it built local production plants.

"Despite efforts to cut back on capital spending in a bad environment, the company is still committed to a fairly high level of spending," said Andrew Blair-Smith, an analyst with UBS Phillips and Drew.

Despite the troubles he leaves Tsuji with in moving to the largely ceremonial post of chairman, Kume is credited with turning Nissan's product line around with such hit models as the Cima and Sylvia cars.

"He put Nissan into the forefront of car design," said Ben Moyer, an analyst for Merrill Lynch Research in Tokyo. — Sapa-AP.

SOWETAN Tuesday April 7 1992 Page 23

Japanese expert visits

Sowetan 7/4/92

AN international sewing and knitting machine company has sent an expert from Japan who will be demonstrating the use of their machines in South Africa.

Miss Takato Ondo arrived in South Africa last week and will be demonstrating Empisal machines throughout the country this month.

"The reason for Miss Ondo's visit is not only to promote the craft of machine knitting, but also to encourage knitters to use their machines to their fullest," Empisal's Ms Shelley Rosenberg said.

"Knitting, which has traditionally been regarded as a seasonal pastime, is not confined to school jerseys.

According to Rosenburg, Ondo is recognised as a world authority on machine knitting.

For the past 20 years she has travelled the world giving lectures and holding seminars on the art.

Japanese Chamber of Commerce and Industry in SA president Shuji Okita, right, talks to vice-president Shigefumi Noda during a news conference yesterday. Picture: ROBERT BOTHA

Japanese Chamber launched in Jo'burg

ANDREW KRUMM 66

A JAPANESE Chamber of Commerce and Industry was launched in Johannesburg yesterday, but officials said SA's political situation continued to discourage investment. BDay 6/5/92

Chamber president Shuji Okita said with the lifting of Japanese sanctions last year, and the normalisation of diplomatic relations, Japanese companies now wanted to expand their business interests in SA. However, immediate investment could not be expected.

Okita said although SA's political future was a better risk than former Soviet Union states, it remained uncertain.

He said a second stumbling block to investment was the lack of a tax treaty between SA and Japan, which resulted in "double taxation" where company profits were taxed in both countries. The chamber planned to take up the issue with the authorities, Okita said.

Japanese poised to step up investment

(66)

STAR 6/5/92

Finance Staff and Sapa

South Africa could see real investment from Japan in the next three years, says Shuji Okita, the first president of the Japanese Chamber of Commerce and Industries in South Africa (CCI-Japan).

Presenting CCI-Japan to the media in Johannesburg yesterday, he said the chamber had been formed in April to cope with the normalisation of relations between the two countries.

In 1987, Japan was South Africa's largest trading partner, accounting for bilateral trade of $4,2 billion. This dipped to $3,5 billion last year and is estimated to be unchanged for 1992.

The chamber represents 33 Japanese companies or organisations in Southern Africa.

While Mr Okita was positive about the prospect of Japanese investment, he warned that a clear economic policy and political settlement were prerequisites.

One problem that would be addressed by the chamber was that of double taxation.

Japan and South Africa have no tax treaty and consequently Japanese companies operating in South Africa are taxed both locally and in Japan on any profits generated in South Africa.

Mr Okita said this was of concern to potential investors who had already made contact with the chamber. Preliminary discusions with Japanese Embassy officials had begun.

Once these barriers had been bridged, Japanese companies were likely to enter into joint-venture operations with local companies, which could result in massive technology transfer to this country.

Mr Okita said the Bank of Tokyo, which closed its local bureau in 1987, was considering a return to SA.

Nissan plans investment cut

BIDay 19/5/92

TOKYO — Nissan Motor Company was responding to a weak market outlook with plans for a 7,7% year-on-year cut in capital investment in plant and equipment to 240-billion yen for the fiscal year ending March 31 1993, a company spokesman said.

Nissan spent 260-billion yen on capital investment in fiscal 1991, and 318,6-billion yen in 1990. Total investment for the three years between fiscal 1992 and 1994 would not fall short of 600-billion, he said.

The capital investment cutback is expected to ease the burden of depreciation costs from the high levels of capital investment over the past few years.

In February, company spokesmen said unofficial estimates saw parent pre-tax profit in fiscal 1991 plunging about 58% year-on-year to 70-billion yen. In March, Nissan predicted a 5% reduction in its domestic production to about 2,2-million vehicles this year. — AP-DJ.

66

Toyota goes for Eurobond

B/Day 19/5/92

NEW YORK — Japan's Toyota Motor Corp would soon launch the largest fixed-rate Eurobond corporate issue, valued at $1bn, the Wall Street Journal reported yesterday.

Probably a five-year issue, the Toyota Eurobond may come to market some time this week. Co-lead underwriters are Nomura International plc and Merrill Lynch International.

A Nomura official said the previous largest fixed-rate corporate Eurobond offering was a recent £500m issue from British industrial company Hanson plc, while the largest dollar-denominated issue was a 1989, $600m issue, from energy concern Chevron.

Toyota Motor said proceeds from the bond issue, the company's first fixed-interest European bond offering, would be used to refinance a maturing equity warrant issue.

B/Day

Andrew Pelling of Nomura International in London said while the bonds would be sold in denominations as small as $1 000, "we expect the buying to be dominated by overseas institutional investors".

Nomura international expects a triple-A rating for the issue from US rating agencies. — AP-DJ.

WORLD

Toyota is criticised for its achievements

B/Day 20/5/92 66

TOYOHASHI — In spite of slipping domestic sales, rising capital costs, a depressed stock market in Japan and a stepped-up campaign by the big three US car makers to impose even harsher limits on sales of Japanese cars in the US, Toyota, the No 1 Japanese car maker, is still enormously strong. But its very strength is making it the butt of criticism.

It is under fire for its reluctance to back off and let competitors catch their breath, says the Wall Street Journal.

"Toyota is under increasing pressure from many quarters in Japan to take more initiative and leadership," says Yoshifumi Tsuji, Nissan's incoming president.

Labour unions, government officials and rival manufacturers say they want Toyota to lengthen product cycles, reduce work hours, raise prices and call off its drive for market share overseas.

They say until Toyota does these things, Japan's other manufacturers can not. They fear that Toyota could ruin prospects for all Japan's industries unless it disavows its take-no-prisoners approach, especially in the US.

In effect, the rest of Japan Inc is demanding that Toyota overhaul the strategies that made it such a powerhouse. The surprise: Toyota seems to be coming around. For now, at least, it is repudiating its "Global 10" strategy of gaining of the global vehicle market by 2000. "We can't talk like that now," president Shoichiro Toyoda told the leading magazine Nikkei Business last month. "The main thing is achieving mutual prosperity."

Gone, too, were the inward-looking corporate principles that guided the Toyota group since its founder Sakichi Toyoda started a hand-loom company in the 1890s. Now, Toyota is to become "a company of the world" and it aims to "build lasting relationships with business partners around the world".

"This notion of more production and more market share is not an important principle of the company any more," says senior director Iwao Isomura.

Another change is Toyota's commitment to cut its long working hours. It has long been dependent on labourers and suppliers being willing to work the equivalent of six-day weeks.

The company is moving closer to the US's 40-hour week. Like other Japanese car makers, it is struggling with a government mandate to cut work hours by 20% in the shrinking Japanese labour pool. — AP-DJ.

Nissan to boost profits at cost of labour

TOKYO — Nissan, Japan's second largest car manufacturer, said it would save on labour costs by reducing the amount of parts needed in its cars by 30% over the next three to five years. Bday 4/6/92

Nissan decided on the streamlining in the hope of improving on profitability, Nissan spokesman Masamichi Mogi said on Tuesday. However, he declined to say how much the plan was expected to save.

Mogi said about 60 000 parts, including nuts and bolts, were needed to build a vehicle. The company will design a new model that could be produced easily with fewer parts. 66

Nissan produces 48 models, including 24 passenger cars.

The company will try to use the same parts as much as possible in the different models, Mogi said. The streamlining would not affect plans to buy US-made parts worth \$3.7bn. — AP-DJ.

FW de KLERK

FW hopeful over trade

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TOKYO - South African President FW de Klerk emerged optimistic from an hour of "extremely constructive" talks on investment with Japanese Prime Minister Kiichi Miyazawa yesterday.

"I am convinced that much good will emerge for South Africa from this discussion," said De Klerk in a statement issued through his Press officer.

De Klerk arrived in Tokyo yesterday morning on a three-day mission to lure Japanese capital to both South Africa and the Southern African region.

Japan is already South Africa's second-largest trading partner. Sowetan 4/6/92.

South African participants in the meeting said Miyazawa had described De Klerk as "bold and courageous" in his moves towards constitutional reform, and had said all obstacles in the way of bilateral relations had been removed.

Now that this stage of political normalisation had been reached, the South Africans said, it was up to individual Japanese companies to decide what their position on investment should be.

"They are poised for takeoff," said one. "What precisely the trigger will be, one can speculate. It will be different things for different companies - their assessment of political stability in the country, the violence factor and all those things.

"The State President pushed hard and consistently for the Japanese now to look at South Africa as an investment area," he said. - *Sapa.*

* See Page 3

'The Tokyo

By John MacLennan and Sapa

De Klerk cracks Japanese barriers

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STAR 4/6/92

TOKYO — All barriers to Japanese investment in South Africa were removed after understandings reached between President de Klerk and Prime Minister Kiichi Miyazawa in Tokyo yesterday.

Mr de Klerk said: "It was an extraordinarily constructive conversation. I am convinced that much good for South Africa will flow from it."

Mr de Klerk arrived in Tokyo yesterday morning on a three-day mission to lure Japanese capital to both South Africa and the southern African region.

Japan is already SA's second-largest trading partner.

How about that? . . . President de Klerk tries out Sony's 8 mm video camcorder during his visit to the electronics giant's Media World in central Tokyo yesterday. With him is Sony chairman Akio Moruta.

Picture: Associated Press

All now depends on how the traditionally conservative Japanese business community gauges South Africa's political stability and the safety of investment in the country.

Mr Miyazawa questioned Mr de Klerk closely on constitutional developments and praised him for taking a "bold and courageous" step. According to sources who attended the meeting, Mr Miyazawa said all doors had now been fully opened for a completely normalised relationship.

Mr de Klerk said that in addition to money-making possibilities in southern Africa, Japan had a moral duty not to walk away from Africa.

He said South Africa provided a jumping-off point to a potential southern African market of 100 million people. With proper technology and investment, he said, South Africa had the potential of becoming the Japan of the subcontinent.

He cited the example of the Pacific Rim countries, which had all become economic successes following an injection of Japanese capital and know-how.

Sources said that after the talks, which they described as surprisingly warm, "the Japanese are poised for take-off".

They added there had long been a close partnership between the Japanese government and big business. According to the sources, Mr Miyazawa's official approval of the power-sharing vision sketched by Mr de Klerk "means that harmony reached at political level will definitely translate into investment, provided the corporations believe that the conditions are right to put their money down in South Africa".

Sources said Mr Miyazawa was impressed with the belief and conviction with which Mr de Klerk put his case, and said he was sure efforts at power-sharing would succeed. He termed the Codesa talks as nothing less than "miraculous".

The possibility of a direct air link between Jan Smuts and Tokyo's Narita Airport was also raised, but this idea ran into a practical problem.

Tokyo's airport is clogged with traffic and SAA's application is near the bottom of the list of 40 airlines which hope to cash in on the Japanese tourist trade.

Sources made it clear that the lack of progress on the proposed link was not because of political reasons.

Today Mr de Klerk continues with his super-sales job in meetings with politicians and important business groups and leaders.

After addressing a meeting of businessmen yesterday, he was warmly applauded. This was considered most unusual in a country where showing any emotion is almost a sin.

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Firemen in planes put | Polls and r

Japan turning a keen eye on SA opportunities

(66) MATTHEW CURTIN

JAPAN's ties with SA are growing fast, says Omega SA-Japan MD Yukio Sato.

President F W de Klerk's visit to Japan would reinforce Japanese interest in doing business with SA.

Japan recognised SA's strength as a resource-rich country, with 72% of its imports from SA made up of raw materials. SA met much of Japan's platinum, gold, ferrochrome and coal requirements.

Japan recognised that SA was "the gateway to the rest of the sub-continent". Important as the local market was, "from a sales office in Johannesburg, a Japanese company can service some 25 countries".

Japanese financial institutions expected that, with the normalisation of SA international business relations, world investment funds directed towards SA would increase. SA business would want to expand internationally and, without a presence in SA, Japanese institutions would miss out.

Tourism was "a major area of interest for Japan", he added. BDay 5/6/92.

Reuters reported from Tokyo that Japan's direct imports of SA precious metals would increase this year as importers were no longer buying gold and platinum through third parties to beat sanctions.

A senior official at a major bullion house said that "since 1987, the Japanese government has pressured us to limit trade with SA." De Klerk's visit to Japan symbolised the change of circumstances surrounding the precious metals industry.

During the first four months of this year, Japan imported 20,7 tons of platinum, including 6,09 from SA, according to Japanese finance ministry statistics.

Japan pledges to promote investment

81 May 5/6/92. (66)

PATRICK CULL

TOKYO — SA and Japan have agreed to co-operate in promoting the economic development of the southern African region.

This was disclosed by Japanese Foreign Ministry officials after Wednesday's meeting between President F W de Klerk and Japanese Premier Kiichi Miyazawa.

Miyazawa said his government planned to encourage vigorous participation by Japanese business in SA.

He also agreed to consider the establishment of air links between the two countries and an investment protection accord to promote Japanese investment in SA.

While the investment code was likely to be a longer-term project some progress is expected to be made as far as air links were concerned.

The President meets Japanese Export-Import Bank president Mitsuhide Yamaguchi today before attending a state luncheon hosted by Emperor Akihito.

The meeting with Yamaguchi was regarded as important, and sources disclosed yesterday that representatives of the bank

☐ To Page 2

Japan

81 Days 5/6/92. (66)

☐ From Page 1

would visit SA shortly to assess the possibility of giving a loan to the Development Bank of Southern Africa.

The Japanese approach to the President's visit was made clear in an editorial yesterday in the authoritative Mainichi Daily News.

Noting that to sustain growth of 4% a year, SA would require about R20bn of annual capital infusion from abroad. The editorial said closer economic ties with Pretoria were in Japan's interests because of SA's rich raw materials and "its place as the core of economic development in southern Africa".

But it said domestic stability in SA must come first through the complete liquidation of apartheid, and the birth of a new state based on reconciliation of all races.

Yesterday De Klerk spelled out SA's case for investment to a high-power audience of 35 top executives.

Among those present at the Federation of Economic Organisations luncheon was the Nissan Motor Co president, Kannematsu's chairman, the senior executive vice-president of Toshiba, the Bank of Tokyo deputy president, the deputy GM of the Africa division of Toyota, and the acting GM of Mitsubishi.

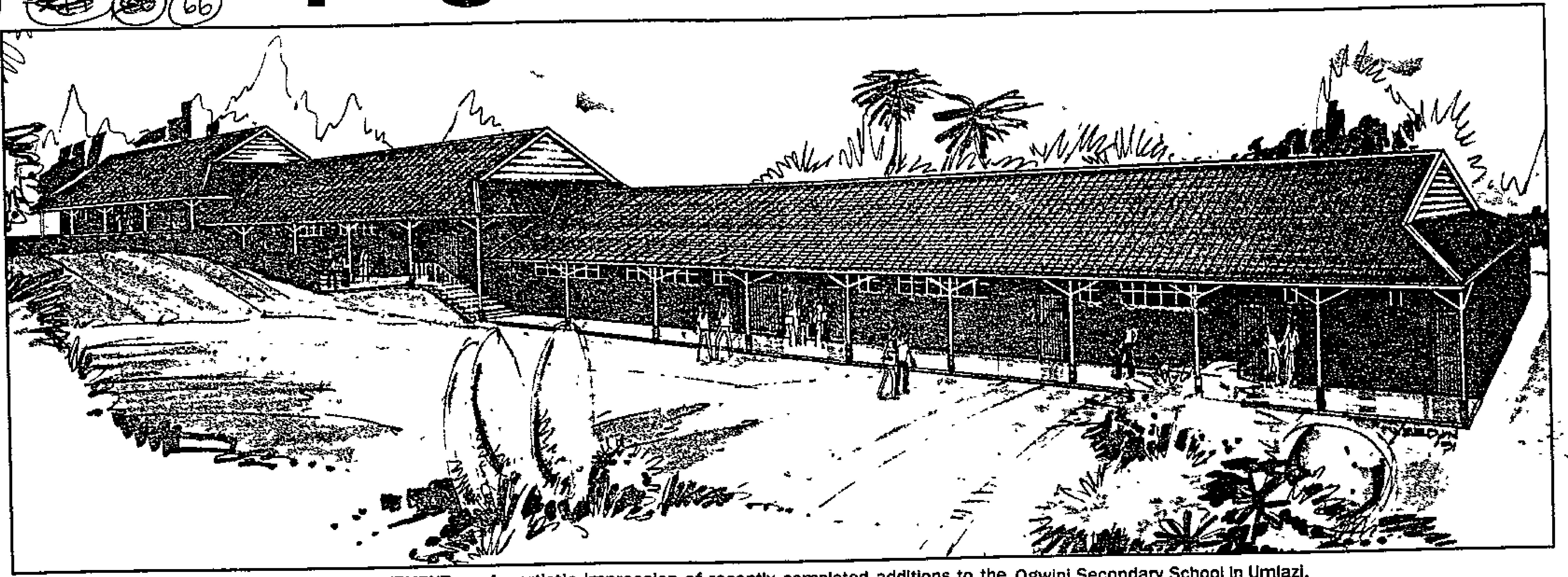
Before lunch yesterday, De Klerk met Japanese Transport Minister Keiwa Okuda and his international trade and industry colleague Kozo Watanabe.

Toyota – helping others to help themselves

STAR 20/2/92 (66)

Toyota South Africa's multi-million rand social investment programmes are actively helping to improve the quality of life of many thousands of South Africans

Toyota believes in investing both time and money in the upliftment of people and their communities. The long-term benefits of this will be considerable — and they will benefit the country as well as the company.



EDUCATION UPLIFTMENT . . An artist's impression of recently completed additions to the Ogwini Secondary School in Umlazi.

THE RATIONALE

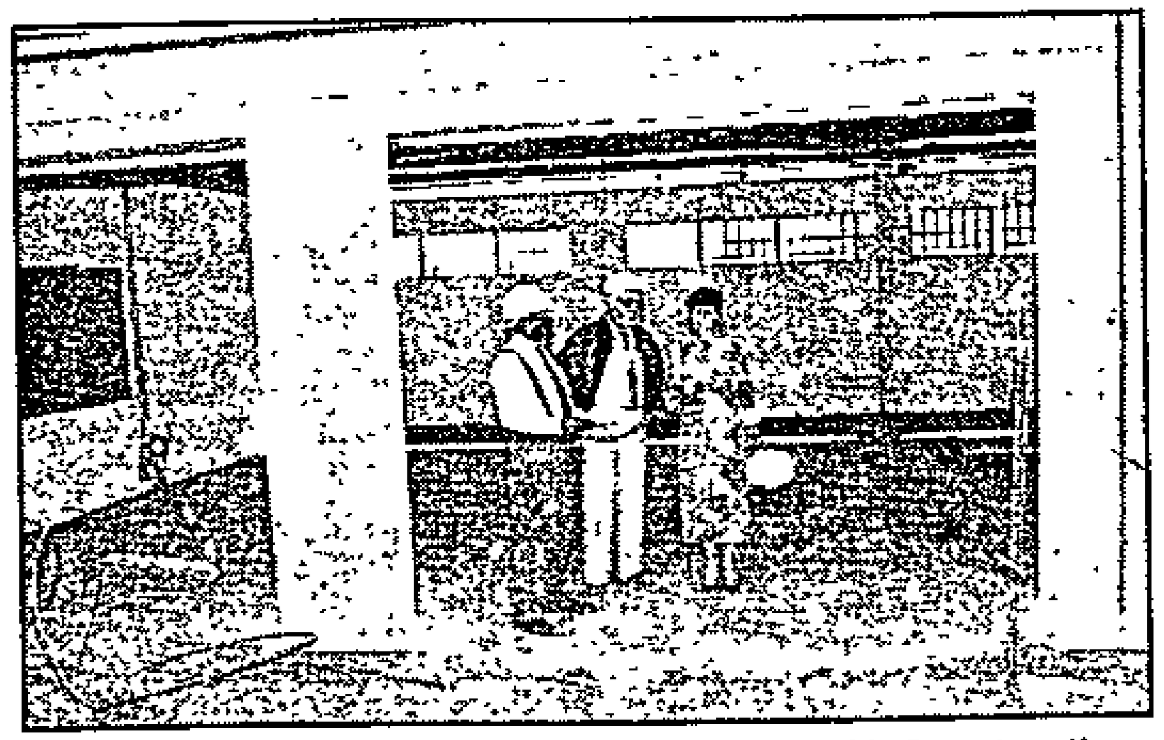
Commenting on Toyota's social responsibility activities, Elizabeth Bradley, Executive Chairman of Wesco Investments Limited and Deputy Chairman of Toyota SA says: "We always try to give expression to our feelings that the company must be part of the community where its workers reside and should not just exist for the benefit of its shareholders and workers. We want communities that can benefit from the wealth and industrial development of the country — and we want to develop workers to the point where they will benefit industry as a whole, not just Toyota."

THE JAPANESE INFLUENCE

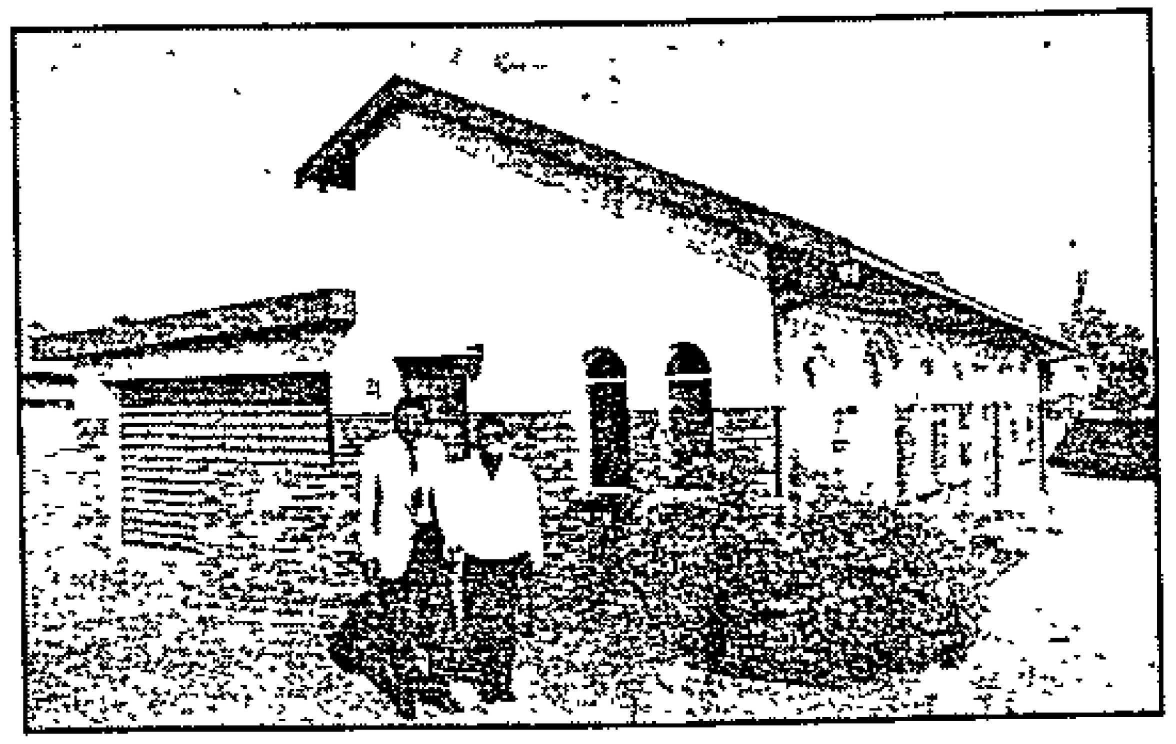
"It is no secret that Japan is inherently one of the poorest countries in the world," continues Mrs Bradley. "It has no natural resources or energy sources, and yet it is an industrial and commercial giant. This has been achieved through the efficient use of human resources.

"From the start of our business relationship with Japan we were aware that Toyota spent more time and effort on people than on any other aspect. The Japanese are in a continuous state of development — always learning new skills, mastering new arts, improving themselves. It is this kind of environment that we aim to promote — one of many flourishing businesses and many comfortable people."

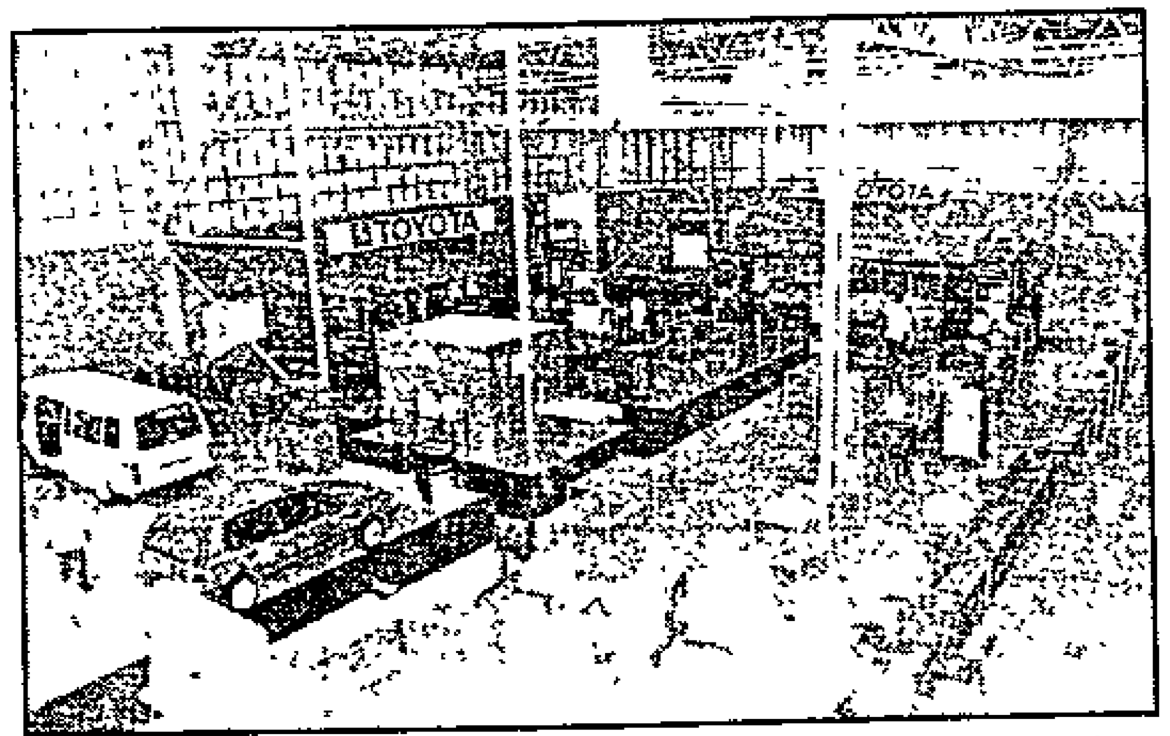
Toyota centres its upliftment efforts on three strategic areas — education, community involvement and housing.



WORK IN PROGRESS . . . Brian Fowler of LTA Construction (centre) discusses progress of the mechanical workshop at the Alexandra Education Centre with Toyota SA Marketing's Crosby Dlamini and Susan Smit.



FEELING THE BENEFITS . . . Daphne Mothapo, a receptionist at Toyota SA Marketing, and her husband Reverend Mac Mothapo, outside their new home bought with the assistance of Toyota's housing consultant, Fortune Homes.



TRAINING FOR THE FUTURE . . Toyota's Technical Training Institute based at the Eskom Training College in Midrand, which opened last year. Toyota apprentices are trained at this facility.

EDUCATION

Here Toyota puts much emphasis on technical education and training for employees and their children. This is done in-house and through the funding of technical institutions

TECHNICAL EDUCATION

The focus on technical education is in line with the world-wide Technical Education Programme initiated by Toyota Motor Corporation of Japan. Recent local developments include the opening last year of the Toyota Institute of Technical Training at the Eskom Training College in Midrand. Toyota apprentices are trained at this facility.

SCHOOL EDUCATION

The company funds various secondary schools and plans to finance the building of pre-schools, primary schools and more secondary schools in areas where its employees live

There are adult literacy projects and bursaries for secondary and tertiary education of employees' children. A high school bursary scheme available to staff earning less than R2 000 a month has been greeted with enthusiasm — and hundreds of applications

TOYOTA TEACH

The TOYOTA TEACH Primary School Programme supports the work done in creating comprehensive high schools in Umlazi, Umbumbulu and Kwamakhuta. The reasoning is that improved primary school education in the feeder areas will improve the ability of these schools to provide adequate secondary school education

COMMUNITY PROJECTS

The Toyota South Africa Foundation is a charitable fund and education trust jointly funded by Toyota SA and Toyota Motor Corporation of Japan. Its main objective is the upliftment of underprivileged communities in South Africa — primarily through substantial support of ongoing educational, social and charitable projects. The building of a library in the new Alex San Kopano Community Centre has been funded by the Foundation. The Foundation also contributed to the furnishing of the Study Centre and the provision of books through the READ Organisation

The Toyota Africa Donations Committee has similar guidelines, but focuses on smaller projects. It makes annual donations to universities, teacher training colleges, technikons and technical colleges

The committee provides financial assistance to approved foundations such as the Urban Foundation, the Rural Foundation and the Siyazisiza Trust. Further, it allocates funds for special education projects, career guidance and various social welfare programmes

A substantial donation made by the Foundation was used to finance the second phase of the Alexandra Community Education (ACE) Project

Many welfare projects have also benefited from funding by the Foundation and Donations Committees of Toyota SA

HOUSING

Home Ownership:
Through an ingenious ownership plan, Toyota is helping many of its workers to buy their own homes. By investing R25 million over the next five years, Toyota hopes to make this dream come true for at least 3 000 employees presently paying rent. The home ownership plan not only helps workers to qualify for a building society loan, but it is expected to allow them to repay their bonds in about 10 years instead of 20.

Housing Developments:
Toyota has initiated two sizeable residential developments in Natal — one at Fowell, the other at Lamontville. In the Transvaal, the company has obtained 60 stands in "old" Alexandra for future development. This site is adjacent to a primary school and a secondary school

A Housing Information Centre has been set up at Toyota to counsel employees on all aspects of buying and maintaining a home. Creches, pre-school and day-care facilities feature prominently in Toyota's future plans.

COMMITMENT NATIONWIDE

Since Toyota's manufacturing plant is situated near Durban and its marketing offices are near Johannesburg, the company's social responsibility activities tend to serve the greater areas of these cities. All activities are co-ordinated from a centralised point in Johannesburg by the company's Manager Corporate Social Responsibility, Susan Smit.

Toyota is, however, aware that needs exist elsewhere and provides special social responsibility budgets to its regional offices. Funds from these budgets are allocated to needy causes throughout South Africa.

Dutch trade office opened

B Day 5/3/92 (65)

SHERIDAN CONNOLLY

IN A major step towards re-establishing trade links between SA and the Netherlands, Dutch Foreign Trade Minister Yvonne van Rooy officially opened the South African-Netherlands Chamber of Commerce (Sanec) in Johannesburg last night.

Speaking at the launch, Sanec chairman Bas Kardol said the chamber's aim was to foster closer economic ties between SA and the Netherlands.

Kardol said SANEC would promote bilateral trade, business services, tourism and investments between the two countries. The chamber would also promote SA as a "springboard" for Netherlands companies into sub-Saharan Africa and would encourage the Netherlands to act as a gateway for SA companies wishing to enter the European community.

He praised the Dutch for their quick and positive response to the Netherlands government's announcement of a change in policy towards SA, made less than a year ago.

Rotterdam was already SA's major foreign port for its exports while shipping and air links between SA and the Netherlands were expanding rapidly, said Kardol. With its efficient communication systems, SA provided an excellent base for Netherlands companies interested in trade with Africa.

He said the Netherlands was SA's sixth largest trading partner before the imposition of sanctions in September 1986. Exports from the Netherlands had increased by 60% over the last year to reach R1,21bn while SA exports had remained around R660m.

Kardol said a convincing "yes" vote in the referendum would mark the beginning of an exciting future because of the enormous potential SA offered.

With the level of beneficiation of local minerals expected to increase, and given the large metal industry in the Netherlands, Kardol said there ought to be room for increased SA exports in that area.

"In the short run, the most obvious benefit from joint ventures and a close trade relationship between SA and Netherlands enterprises is distribution power," Kardol said.

He said the trading skills and network of potential Dutch partners could be of significant benefit to SA.

Van Rooy, who is visiting SA, will have talks with representatives of government, business and political organisations.

(bb) ARG 5/6/92

Major Japanese firm for SA

TOKYO. — A major Japanese company is to establish an assembly plant in South Africa, President De Klerk announced here near the end of a visit he said had "sealed a new era" between Japan and South Africa.

Addressing a Press conference today, he said he had not expected "concrete results" from his bid to woo Japanese investment.

"It had to do with creating the right climate and finally removing certain wrong impressions.

"My visit has been fruitful in that it finally rings in the beginning of a new era of sound relations between our two countries."

Mr De Klerk did not name the company which was to set up a "fairly large" plant, but an aide said it was an electronics manufacturer which preferred to make a formal announcement itself later.

A spokesman for Sony, whose chairman Mr Akio Morita hosted Mr De Klerk on a visit to the corporation's headquarters on Wednesday, said it was not Sony.

Mr De Klerk said he had been overwhelmed by the friendliness he and his party had felt on their visit.

He was going home with an impression of the tremendous efficiency, cleanliness and diligence that he found here, as well as of business that was done with integrity.

"It should be recognised that there is a new reality in South Africa and Southern Africa. We are not talking about resuming an old but strained relationship."

He said he did not think it would be longer than four years before a Southern African economic co-operative structure involving all the states in the region was set up.

● See page 6.

Car makers count the cost of fancy new plants

BDAY 15/7/92 (66)

TOKYO — Nissan's new state-of-the-art assembly plant in Kyushu was designed several years ago when the market was strong and interest rates low. The goal: to increase capacity and attract choosy Japanese workers.

It was a success on both levels.

But now Nissan and other Japanese vehicle makers face the bills for costly plants that are coming on line just as sales are sagging.

"We would be very unlikely to begin building such a plant now," said Nissan production engineering GM Kazutaka Kobatake.

He said Nissan spent about 1,5 times as much on its new Kyushu "dream factory" than it would have on a more traditional plant.

The state-of-the-art plant substitutes conveyor belts in the assembly process with dollies that at each work station adjust their height automatically for workers' comfort.

The plant also allows Nissan to use adaptable robots that let a single assembly line handle any combination of up to four models and as many as eight body types. Workers can slow down cars to fix a problem without shutting down the whole line while the robots take over unpleasant or difficult assembly tasks.

The \$780m plant boosts Nissan's Kyushu manufacturing facility capacity by 240 000 to 600 000 vehicles a year, while increasing the number of workers by only about 20%.

In recent years, several Japanese car makers have invested in highly automated plants because of strong demand and worker shortages caused by Japan's declining birth rate and the difficulty of attracting affluent Japanese to factory jobs.

Toyota has a \$1,1bn factory under construction in Kyushu, near the new Nissan plant. Mazda's \$475m, 160 000-units-a-year capacity plant was completed in Hofu during February.

But car sales in Japan fell 3,9% last year to 5,74-million vehicles. Some manufacturers' operating profits dropped by more than 60%.

As a result the industry, which accounted for about 20% of all Japanese manufacturing investment, was slashing investment as much as possible by cutting projects that were not already under way and postponing others.

Honda had decided to shut down its Suzuka line for three days, while Mazda was ending the night shift at its new Hofu plant.

Toyota, meanwhile, decided to stop hiring part-time workers and to roll back production of luxury cars at its new \$606m Tahara plant, where it was operating only one shift. Depreciation costs among the carmakers were expected to reach a record \$1,2bn next year, wi[th] prospects for a sales recovery uncertain.

"From a 30% growth in capital investment [in] fiscal 1990, investment is likely to fall by abo[ut] 10% this year," said an analyst.

The sudden turnabout in Japan's car industr[y] had transformed business strategy. "In th[e] past, they tried to build a competitive ed[ge] through continued growth in production cap[a]city. Now the attention is on profits rather tha[n] market share," he said.

Although Japanese car makers hav[e] amassed impressive technological and marke[t]ing powers, they have had to survive on razo[r] thin profits because of fierce competition. Cap[i]tal investment repayment costs are slicin[g] further into those margins. In response, Nissa[n] and other manufacturers are trying to boo[st] profits by raising prices, cutting costs and e[x]tending the time between some model change[s].

"Our biggest concern is the labour shortage." Kobatake said. "At first, our cost will be some[what] higher because of the larger investmen[t] but over the years this plant will be much mor[e] efficient." — Sapa-AP.

Car makers driven back to basics in quest for profit

BDAY 27/7/92

STEVEN BUTLER

66

NISSAN Motor's new president Yoshifumi Tsuji has a straightforward message to his staff: build it simple. Tsuji wants to cut down by half the multiple varieties of parts — such as optional steering wheels — that can go into a Nissan car. He wants to use more common parts among different car models, and is even looking to bring down costs by sourcing major components jointly with rival car makers.

If the '80s was the decade when the Japanese motor companies dazzled the world with rapid expansion and a seemingly endless proliferation of new models, the '90s is forcing the industry back to its engineering basics in an effort to improve profit.

Following last year's dismal financial performance, the industry has come under real pressure for the first time since 1986, when the rapid appreciation of the yen forced the companies into a round of severe cost cutting. Operating margins at Nissan Motor's parent company in Japan last year fell to 0,8%, while Mazda was at 0,9% and Honda at 1,8%. Toyota has yet to report for the year ending in June, but it is unlikely to match Honda.

The cause of poor profitability is not inefficient manufacturing as such. Indeed, Japan's car makers are probably the most efficient in the world. Yet the weak state of motor vehicle markets leaves the companies with little choice but to cut costs, and some companies believe that considerable scope for improvement remains.

"Efficiency was number two or three in our priorities, after reducing lead times and improving quality," says Tyuichi Tsukamoto, executive vice-president at Honda Engineering, Honda's production engineering subsidiary. "Now we cannot deny the importance of efficiency, because the business is facing tough times."

An engineering solution to the car makers' problems, however, is a tall order because the companies face conflicting pressures that suggest opposite solutions. The Japanese industry must cope, for example, with a severe labour shortage, which suggests automation may be the answer. Yet automation is expensive. And increased use of robots reduces flexibility on production lines at a time when rapidly changing consumer tastes require increased flexibility.

In an attempt to resolve these conflicting pressures, the companies are focusing on two related areas of the manufacturing process: final assembly and design.

The most recent trend in final assembly technology dates to a small-scale, experimental factory that Honda ran for two years at its Suzuka plant in Japan in the early '80s. At the plant Honda introduced what it called general assembly trucks to replace the traditional assembly line.

In the traditional conveyor line, pioneered by Henry Ford, vehicle chassis rode on a platform of fixed height. The platforms were spaced evenly and were linked together and pulled along by a chain. The line moved at a uniform speed, ideally never stopping, while workers installed parts and components as the vehicle moved slowly by.

Yet the old-fashioned conveyor has proved too inflexible. Cars move along at the same speed, spaced evenly regardless of how difficult they are to assemble. If one car has to be stopped because of a problem, they all stop, bringing work to a halt on the whole line. Because planned stops for the cars are impractical, automation using stationary robots is impossible.

Honda's innovation was to dispense with the link between the platforms. Instead of being pulled along by a noisy chain, Honda put the chassis on a dolly which moves under the power of its own electric motor. The motor draws power by induction from a cable beneath the floor and can also raise and lower the vehicle chassis so that workers never have to bend to install parts.

Honda's assembly system also supplies a key that opens the door to automation: the dollies can move at different speeds, stop precisely to allow robot installation of components, and accelerate and decelerate quickly to keep an expensive robot used to the maximum. And the entire process can be controlled by central computer, which monitors the progress of each vehicle by means of an electronic sensor system on the dolly and tells the robots what is coming.

The result is a production line much more pleasant to work on and one which is much more amenable to automation. Honda concluded it was technically possible to raise the automation rate on final assembly to 30%, compared with the 5% standard in the industry.

Honda installed the technology on one line at the Suzuka plant, on lines at East Liberty in Ohio, and will open a plant later this year in Swindon using an advanced version of the system. Honda Engineering also licensed the basic technology to Daifuku, the Japanese specialist in factory equipment. Daifuku has sold the system to both Toyota and Nissan, which have opened separate plants in the past year.

The lines are beautiful to watch, when compared with the traditional noisy and disorderly line. Nissan believes it will result in smoother operation on the final assembly line, since cars that are complex to assemble can be spaced further apart. And if a problem arises, only one car need be stopped, allowing it to catch up later.

Yet whether the technology offers a true solution for the industry's problems is another question. For one, the line costs between two and three times as much to install as a traditional conveyor system, yet by itself does not contribute anything to raising productivity.

The improvement in productivity comes only after additional spending on robots. When Honda installed its Suzuka line in 1989, it lifted the level of automation to 18%. Tsukamoto says this raised labour productivity by 15%-17%. But Honda has shelved a plan to install more robots on the line to raise the automation ratio to 30%. It is too expensive.

Tsukamoto says that to replace one worker with machinery can cost between 10-million yen (R220 000) and 80-million yen (R1,75m) depending on the process. Honda is willing to spend the money when it relieves a particularly onerous manual task, or when the investment results in a large improvement in quality.

One area where Honda has not skimped is on machinery for automated, simultaneous installation of car suspensions and engines. By mounting and fastening all bolts simultaneously, Tsukamoto says, a more precise fit is obtained, allowing for improved handling and ride. Simultaneous bolt-fastening prevents the accumulation of minor alignment errors.

The robots also provide rapid feedback. If a single bolt hole is misaligned, the machines stop. On a traditional line, a misaligned bolt hole will rarely slow down a worker, who will put the thing together anyway. The worker will still have to intervene on Honda's automated line when holes do not match, but because the robots detect quality problems instantly, the source can be traced immediately and corrected.

Honda's assembly system offers the potential to save labour, improve quality and increase flexibility. Whether this potential can be exploited to the financial benefit of the car makers, however, depends very much on other links in the engineering chain. — Financial Times.

Toyota parts for Italy

TOYOTA's R50-million tool and die manufacturing facility near Durban has signed a R3-million contract with international car designer Pininfarina. S/Times (BUSS) 16/8/92

Beating worldwide competition, the TDM facility will make five components, requiring three sets of tooling, for the Italian group. Initial samples will be delivered by Christmas with the final delivery early in the new year for an exotic car.

Pininfarina ~~has~~ designed cars for manufacturers such as Ferrari, Lancia, Maserati and Alfa Romeo.

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Toyota sees a future in the uncluttered skies

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BDAY

7/10/92

TOKYO — In 1933, Kiichiro Toyoda decided his father's old loom manufacturing business needed a fresh product line. Thinking cars looked promising, the meticulous Toyoda laid the groundwork by opening a driving school.

Four years later, he was ready to hang a new sign over the door: Toyota Motor Co.

Hisamitsu Shimada relishes that story because next April, Japan's biggest carmanufacturer plans to open a flying school. And Shimada, chief of Toyota's fledgling aviation section, hopes it will help nurture a new market — this time filled with eager pilots.

Shimada's dream is to build the Model T of small aircraft — an affordable prop plane for commuters. By the late 21st century, he envisions mass producing "hybrid" helicars with retractable rotor blades built into roof racks that would enable them to leap over Japan's notorious traffic jams or anything else.

"You can see now the sky is very clear," the 49-year-old former car engineer says, gesturing out his window far above Tokyo's congested streets. For now, the company is edging quietly into aviation technology with a budget far humbler than Shimada's dreams, much as Kiichiro Toyoda began his car business cautiously by experimenting with tiny engines mounted on bicycles.

Toyota is designing piston engines suitable for propeller flight and testing them at its Mojave Desert site in California, Shimada said. It is also developing the "soft infrastructure" of a market — a flying school on Hokkaido island, and scouting and buying up land in Japan and the US for small airports and heliports.

This year, Toyota applied to construct an airport in Wickenberg, Arizona, near its car proving ground.

Its US arm, Toyota Aviation USA, also plans a $10m upgrade of its airport operation at Long Beach, California, said company spokesman Mindy Geller.

Shimada said: "We are just starting the first grade of elementary school — building engines." The rest of the strategy "is inside my head."

Such is the car giant's fearsome reputation that its plans are already raising eyebrows in some US aviation circles — even at mighty Boeing.

Some worry that Toyota eventually could pose a greater threat than Mitsubishi Heavy Industries, manufacturer of the famed Zero fighter of the Second World War and, most recently, minority co-developer of Boeing's 777 widebody jetliner.

"Toyota's plan seems to be to perfect the manufacturing capability to build a market for small airplanes ... then move into the commercial market," said Harry Hill, a US business consultant based in Toyota's hometown of Nagoya.

Toyota, with a worldwide manufacturing, design and sales network, is well positioned for such a move.

Nonsense

A US aviation official, who spoke on condition of anonymity, said: "Mitsubishi has experience in building parts and assembling aircraft.

"But they do not have the design or marketing experience of Toyota.

"Eventually it would not take a lot for Toyota to threaten the lower end of the (Boeing) 737 market" — mid-sized commercial jets of 90 to 130 seats, he said.

Shimada, however, insisted Toyota had no interest whatsoever in the commercial airliner market — at least "not for another 50 centuries," he joked.

Steve Usher, a car analyst with Kleinwort Benson Securities in Tokyo, noted that Toyota had no published plans to build jet engines.

He called suggestions that Toyota could be a competitor for Boeing "utter nonsense. ... It's not going to happen in your grandchildren's lifetime." — Sapa-AP.

Barlan P1

Toyota stays at the top in Japan

(66)

TOKYO — Nissan, Japan's second largest carmaker, reported on Friday dismal domestic sales for both September and the first half of their fiscal year, while top-ranked Toyota weathered Japan's economic slump better in the same periods. B/Dm 19/10/92

In September, Nissan's domestic sales plunged 19% from the same month a year ago to 102 891 units, with its market share falling to 22,1% from 26,1% last year. During the April-September period, Nissan posted an 11% drop to 582 394 units from the same half-year period last year.

Toyota sold 181 746 vehicles in September, unchanged from the same month a year earlier, said a company report released on Friday. Its share rose to 29,6% from 28,7%. During the six months through September 30, it sold 1,698-million units, down 4,1% from the same period last year.

A Nissan spokesman blamed weak sales of small passenger cars, adding it was hard to judge whether present conditions represented the bottom.

Toyota's better performance lay in the strength of its dealerships, which had built strong relationships with corporate clients, said Noriyuki Matsushima, an industry analyst at Nikko Research Centre. He said Toyota introduced lower-price models in quick response to the economic slowdown, while Nissan had not.

Nissan sold 75 694 passenger cars in September, down a sharp 21% from the year before, and 27 197 commercial vehicles, a 15% fall. — AP-DJ.

Toyota invests R251m in new model

SIDMY 12/11/92

(66) EDWARD WEST (92)

TOYOTA SA has invested R251,4m to manufacture the Camry locally, in a move to take on the medium-sized car market as well as markets previously dominated by German luxury models, it was announced yesterday.

The Camry, launched in SA today, represents the biggest investment the group has made to introduce a new model. It was first launched in 1982 with 2,5-million sold since in Australia, Europe, the US and Middle East.

Priced between R61 000 and R130 000, the bottom of the range Camry competes with Volkswagen's Jetta, Mazda's 626, Ford's Sapphire and Sierra, Mercedes-Benz SA's Honda and Nissan's Sentra. Luxury models will compete with Audi, BMW, Mercedes-Benz and Nissan's Maxima.

Toyota SA marketing MD Brand Pretorius said the cost of introducing the range would be amortised over six years, during which the group hoped to sell about 108 000 Camrys.

Let's talk about it

W Mail 23/12 - 29/12 92 (66)

For a while it was musical chairs in the Department of Manpower but Leon Wessels has returned some stability and sanity to this vital area.

By **FERIAL HAFFAJEE**

Leon Wessels ... He might survive a change in government

MANPOWER Minister Leon Wessels is the kind of guy you could just call "Leon" — laid-back and without a trace of the grey-suited unapproachability of the old South Africa.

You can easily picture him jogging down the streets of Pretoria with his wife or negotiating with his children when they want more spending money.

Wessels has done a lot of negotiating in the seven months he's been in office — so much so that "let's talk about it" has become his favourite phrase.

His adversaries have ranged from the suave negotiators of the Congress of South African Trade Unions to defensive farmers fearful of looming labour legislation.

"Those who have not been here are on our schedules," says Wessels of the organisations which have not yet sat in his air-conditioned office.

"I am not a captive of anybody, I want to do what is just and fair for labour," he told a recent National Party Transvaal congress.

So one can expect delegations from the National Council of Trade Unions and troops of white workers, no longer protected in closed shops or guaranteed places in racially imbalanced training boards, to meet him.

He can also expect the captains of industry to come knocking at his door, demanding a place at the table when accords like the one concluded with Cosatu in November are signed.

That accord negotiated a mountain of minefields and in one fell swoop the minister showed what a little decisiveness can do.

He set dates for the passage of legislation for domestic workers, for farmworkers and for public servants and he stuck to them By the close of parliament this year, draft legislation had been signed, sealed and delivered.

Starting dates for the restructured National Manpower Commission and the National Training Board were set. Other troublesome obstacles like the industrial courts and the Labour Appeal Court will be dealt with by influential but balanced task forces.

Unlike his predecessors, there will be no backtracking for Wessels even if faced with pouting farmers and hysterical housewives who have long resisted regulation for their workers.

"Reform is a serious matter and you have to be punctual about it," he says. This view is perhaps what makes him a prized negotiator in the government's camp.

With an eye on the influence of the labour movement and the expectation of the pragmatism he will bring to political negotiations, Wessels has been relieved of his local government and housing portfolios.

"It wasn't really possible to do justice to labour with the composition of the old portfolio. But constitutional negotiations and labour complement each other," he says.

Wessels is one of President FW de Klerk's prized New Nats: a young, Stellenbosch University graduate, committed to reform and familiar with the popular lexicon, he is assured of the respect of the government's main negotiating adversary, the African National Congress and of Cosatu, the biggest player in the labour movement.

The bargaining skills he has been forced to hone in monthly meetings with a broad spectrum of labour are likely to be useful in political negotiations.

"Trade unions and the department spend hours in each other's company," he says, adding that the Manpower Department will not experience the same problems other ministries may have in "levelling the playing fields" under an interim government.

Wessels has taken the department from one of the most contested and controversial to one of the most productive in the short time he's been in office.

He wistfully remembers his second day on the job on June 2 this year.

"I had my first meeting with the sub-committee of the National Manpower Commission (NMC) and there were 13 different points of view."

He suggested they "start a two-month honeymoon", at the end of which the department would publish a response to demands on the restructuring of the NMC.

The process was successful and the new-look body will start work at the end of January.

Then on his first day in parliament, he inherited the draft Bill for farmworkers legislation and its "absolutely inherited time frame" which dictated that the legislation had to be "piloted throught parliament that same week.

Instead, he offered regular meetings with the parties until consensus was achieved.

All has not been plain sailing with Cosatu and the minister has shown he can give as good as he gets.

Recently he broke off a crucial meeting with Cosatu, charging that the federation was "not bargaining in good faith", that it was "shifting the goalposts" and sending negotiators without mandates to meet him.

His appropriation of the federation's tactics (and its talk) won its respect and it quickly issued a conciliatory statement; soon further negotiations yielded the November accord.

"I will not be the captive of anybody, be it the department, employer organisations or employee organisations. The best arguments should carry the day, not because of the institutions or personalities involved," he says.

Wessels is enjoying the post and is invigorated by the "sharp thinkers" he meets. "They all have an acute awareness of the economy and the whole society."

Although Wessels is new to the labour field, having started his political career in the foreign affairs and law and order ministries, he has won the respect of labour players across the spectrum.

It could mean that he will survive a change in government and be asked to remain minister of manpower — an appointment he would accept ... gracefully, no doubt.

World motor industry heads for a shakeout

B/DAY 30/12/92 (66)

NEW YORK — The global motor industry is heading for a shakeout. Companies from Detroit to Stuttgart to Tokyo are pulling back in a way few people anticipated a year or two ago, when the industry was winding up a decade of expansion, the Wall Street Journal said yesterday.

While none of the manufacturers are expected to disappear, some have already lost their independence, more probably will, and many will emerge smaller.

Among those cutting back:

- Isuzu, which has just reported a net 12,68bn yen loss for the October fiscal year, says it will "suspend development of passenger cars", and concentrate on trucks, recreational vehicles and diesel engines.
- Sweden's Volvo, with worldwide sales down 38% since 1986, says it will shut two of its eight assembly plants and probably retrench 2 250 workers.
- Mazda recently abandoned a planned network of luxury car dealerships in North America, after spending hundreds of millions of dollars to develop new cars and sign up 82 dealers.
- GM this month announced plans to close eight more factories, bringing the total to 22. About 74 000 workers are expected to be retrenched by the mid-90's.
- Germany's Daimler-Benz says it will retrench 27 500 employees, 13% of its automotive workforce, by 1995.
- Fiat is laying off workers temporarily as its Italian market share is down to 43% from 60% a few years ago.
- In Britain, Jaguar, which continues to lose $100m a quarter, in spite of slashing its work force to 8 000 from 12 000, says it will axe an additional 700 employees.
- Japan's Daihatsu expects a loss of 5bn yen in the fiscal year ending March — its first loss since going public in 1949.
- Toyota, the strongest Japanese maker, saw profit in its June fiscal year fall 40%.

The global shakeout stems from simultaneous weakness in the major economies, something motor manufacturers did not expect when they built 25 new assembly plants between 1982 and 1992.

In the past, when either Europe or the US suffered an economic slump, the other would be riding high. Profit from the continuing surge of car sales in Japan fueled the expansion of Japanese producers.

But now, worldwide excess production capacity totals 8,2-million vehicles a year. Two years ago Japanese domestic sales hit a record 7,8-million cars and trucks in 1990.

But last year, the industry collided with economic downturns at home and abroad. In Japan, the country's 11 vehicle manufacturers saw sales dip 3%, the first decline since 1980. In the first 11 months this year, their sales fell 7,5%, with a 12% drop in November. Japanese companies are paying for the strategy that made them such fearsome competitors in the 80's — grab market share even at the expense of profit. With their "lean production" system, they could make high-quality, inexpensive cars with a seemingly limitless variety of body types and options.

But the formula has a nasty side effect, what Jardine Fleming analyst Jonathan Dobson calls the "market-share paradox". He says although Japanese motor manufacturers' sales have tripled in the past 20 years, their profit margins have halved.

That is because the market share strategy requires selling cars cheaply and spending heavily on plant and development to turn out a wide lineup of models. When sales were rising, the low margins still produced good profits. But now, some analysts believe six of Japan's manufacturers could lose money this fiscal year on weak domestic sales — AP-DJ.

Worldwide direct investment on the wane

TOKYO — Direct investment abroad by corporations around the world in 1991 dipped 25,8 percent from the previous year to $170 billion, a Japanese report says.

The Japan External Trade Organisation says in its annual report that the decline — the first in nine years — was due to worsening corporate earnings in the recession-hit industrialised nations and to cautious lending by banks.

Japan remained the top overseas investor for the third successive year, although the amount of its foreign investment decreased by 36 percent to $30,7 billion.

The United States was placed second with $27,1 billion — down 17 percent.

Germany took third place with $21,5 billion — down six percent.

France came in fourth with $19,1 billion — down 21,2 percent.

Annual growth in overseas investment varied between 20 and 50 percent in the second half of the 1980s.

But the figures slowed in the early 1990s when an investment boom faltered in Japan and a rush of corporate takeovers ended in Europe and the United States. STAR 3/12/92

Nonetheless, China attracted Japanese investors in 1991, with their investment growing 25,2 percent.

Japanese investment in Latin America soared by some 63,9 percent.

The growth of Japanese investment in non-communist Southeast Asian countries slowed because of rising wages in that region, the report said. — Sapa-AFP.

66

FOREIGN FIRMS IN S.A

- JAPANESE -

FEB. '93 - MAY '97

Toyota taking steps to avoid strike action

BIDAY 11/2/93.

66

TOYOTA was the hardest hit in 1992 by strike action, as a 49-day work stoppage cost the company and strikers hundreds of millions of rands.

Toyota Marketing MD Brand Pretorius says the company will do whatever possible to prevent the recurrence of strike action.

"We have put into place a plan of action to ensure a higher level of commitment to the company.

"The company must ensure it deals with all possible grievances and that management displays the most constructive attitude in all instances. Much work has been done to improve levels of understanding and more emphasis has been placed on communication with the unions.

"Out of the adversity of the strike we learned a lot and many positive things were born.

"We feel very proactive in this regard and won't waste energy on bitterness or cynicism. We're looking to the future with confidence, to bring about a balanced relationship. The aim is to ensure that all parties involved recognise their responsibility and understand what our vision for the future is and what role they can play.

Positive

"The strike, though affecting market share negatively, did have some positive ramifications for Toyota. It gave us a new challenge — to recover as soon as possible. In some ways it served to restore the balance of power, as the company stood firm and did not capitulate.

"The union tested us and the workers tested us, but in the end it served to unite people and the dealer network. In many instances the strike cemented the relationships with customers, because we were forced to keep in very close contact with them. Many were prepared to wait and we received plenty of tangible support from them.

"Others volunteered their support and postponed their purchases, which is one reason why our market share dropped to 13% and then shot up so quickly to around 28%.

"I want to pay tribute to our customers and our dealers. The stock shortage gave dealers the opportunity to assess their operations. They cut unncessary costs from overhead structures, identified additional profit-making opportunites, and the good news is that we did not lose a dealer. Some had no stock for four to nine weeks, but they managed to survive.

The Toyota Camry executive express has been an instant success.

Pragmatic

"As a result of the recession, which has hit our industry particularly hard, the union is now adopting a more pragmatic stance. It is putting, in relative terms, greater emphasis on job security and training.

"They will still push for above-inflation wage increases, but they know what the realities are. The protection of employment is now the key issue, as they lost many members during the strike, but I must admit we are slightly more hopeful about future labour relations.

"Trade unions are becoming less politicised, because hopefully by mid-1993 we will be in a transition phase, and Cosatu should have a much stronger political voice.

"We believe that by improving communication between management and shop stewards, the company will be able to strengthen its affirmative action programme, eliminating racism, creating education programmes and attending to grievances."

Toyota reports another slump

B/DAY 11/2/93. (66)

TOKYO — Battered by a global consumption slump, Japan's biggest car manufacturer, Toyota, yesterday reported its fifth successive double-digit fall in profit for the six-month period to December.

Toyota, which i also the world's third biggest car firm, said that its pre-tax earnings tumbled by 22,3% from a year earlier to 162-billion yen.

The figure was less than half the biggest profit — 404-billion yen — the company enjoyed in the six months to June 1990. Since then Toyota's half-year profits have been making double-digit drops when compared with the figures for the same period a year earlier.

Turnover grew by 2,9% in the six-month period to 4,564-billion yen. Both the earnings and turnover figures were nevertheless above the company's forecasts for a profit of 150-billion yen on sales of 4 500-billion yen.

Toyota said that overall sales of motor vehicles fell by 4,9% to 1 958 000 units, depressed by lower domestic sales which offset a slight increase in sales abroad.

Sales in Japan slumped by 8,6% from the figure a year earlier to less than 1 097 000 units while exports climbed by 0,4% to 861 000 units, helped by robust sales in Southeast Asia.

Sales in North America were notably slow.

The company blamed the lower earnings on foreign exchange losses amounting to 30-billion yen, along with lower sales and higher personnel costs. Such negative factors overwhelmed the company's cost-cutting efforts.

"Despite our sincere efforts, our profit fell because of the yen's rise against the dollar and the severe market environment," a Toyota official said.

Toyota left its projections for the full year to June unchanged, forecasting pre-tax earnings of 300-billion yen, down from almost $376bn, on sales of 9 000-billion yen, up from 8 941-billion yen.

But it lowered its capital spending forecast for the year by 22% from the original projection to 320-billion yen, down 23,7% from the figure the previous year.

Vehicle sales for the year were estimated at 3,91-million units with domestic sales of 2,20-million units and exports of 1,71-million units.

"The domestic economy is expected to take a recovery path helped by the introduction of a series of fiscal and monetary measures," the official said.

"The market will nevertheless remain tough," he said, noting such "uncertain factors" as European and North American economies and foreign exchange movements.

The announcement coincided with a decision of the big three US car firms — Ford, Chrysler and General Motors — to cancel filing dumping charges against foreign car imports.

"We think the decision ... is very reasonable because it is out of the question that we dumped cars," the Toyota official said. — Sapa-AFP.

Car makers increase prices

EDWARD WEST

CAR manufacturers have increased prices because of the strengthening of Japanese and German currencies.

Toyota had increased the prices on all its cars, light commercial vehicles, medium-sized and heavy trucks by between 2,5% and 3,5%, Toyota marketing MD Brand Pretorius said.

Volkswagen spokesmen said there would be an immediate 4% price rise on all vehicles except the recently launched model-3 Golfs and Jettas.

Delta announced price increases of between 3% and 3,5% on all its vehicles, effective from March 15, while Nissan said its prices would increase on average by 3% within the next few days.

The only vehicle manufacturers not to announce price increases were BMW SA and Mercedes-Benz SA.

BMW spokesman Chris Moerdyk said there would be no ad hoc increases because BMW bought forward cover and was not exposed to short-term currency fluctuations.

Mercedes said no decision had been made to increase prices. It increased Honda Ballade and Mercedes-Benz prices by 1,67% and 2% respectively in February.

Pretorius said the strengthening of the yen had led to premature and unavoidable price increases, with German-sourced product also under pricing pressure.

The increases followed a 19,1% depreciation of the rand against the yen since July 1992, compared with Toyota's forecast of 7,5% depreciation — which related to the differential between projected SA inflation at 11% and Japan's inflation rate of 3%. Pretorius said if the currency trend continued, the depreciation in exchange rates would amount to 17% in 1993.

The Phase VI local content programme compounded the issue of strengthening overseas currencies in that foreign exchange usage increased, local content decreased and excise duty penalties had to be paid, said Pretorius.

In 1992 average vehicle prices increased 12,8% against a CPI of 14,1%, compared with 1991's 22,1% average increase against a CPI of 15,2% in that year.

BDay 3/3/93

FM 66

Toyota profit plummets 50%

(66)

GREETA STEYN

TOYOTA reported a 50,3% plunge in taxed profit to R62,4m as worse than expected trading conditions in the second half followed a crippling 49-day strike in the first.

However, the group kept its promise of paying a dividend after passing it at the interim stage, and declared 28,5c (1991: 47,5c). Earnings a share were 151,6c from 297,3c. At the interim stage, analysts predicted earnings for the year of 195c and a dividend of 31c.

Executive chairman Bert Wessels blamed the strike, the expenses associated with Phase VI local content requirements and a special duty charged by government for the weak profit performance. "As we went into 1992 we predicted somewhat easier trading conditions in the second half of the year but these did not materialise."

He noted that the company's new vehicle sales had decreased by 13,5% to 76 751 units (1991: 88 796) for the year as a whole. For the industry, sales for the year were down by almost 8% to 284 028 vehicles compared with 308 075 the previous year.

He said the strike at the Durban plant was the main reason for the sharp fall in sales, and had resulted in Toyota's market share dropping from 28,8% in 1991 to 27% in 1992. A total of 19 500 vehicles had been lost against the original production planning schedule, but it was estimated that the real loss in sales had been half that because of adverse economic trends.

"Aside from the effects of the strike, 1992 was the first full year in which the motor industry had to operate under the constraints of accelerated Phase VI local content requirements. The government also levied a 2,5% non-rebatable duty on new vehicles to offset losses associated with the change from GST to VAT at a lower rate."

Wessels described the group's effective tax rate, at 56%, as "on the high side". He

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Toyota

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(66)

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said it reflected the effect of Toyota's policy of providing for depreciation on revalued assets whereas the tax computations were based on historical cost.

Although the company was budgeting for some improvement in the economy and a marginal increase in vehicle sales, there was no short-term prospect of a significant upturn.

He expressed concern over the rand's weakness against the yen, saying it would have an adverse effect on vehicle prices. It would be difficult to contain price increases in line with inflation.

The group aimed to increase market share to 30%, with the focus on the Camry

Shareholders' equity increased through a profit contribution and through the company's policy of revaluing assets. Fixed assets increased substantially as a result of the introduction of the Camry and the upgrading of facilities.

Toyota SA moves into cental African market

(66) EDWARD WEST

TOYOTA SA would officially move into the central African market for the first time after an agreementto supply Mobile Motors in Malawi with SA-built vehicles, Toyota SA said yesterday.

The move into central Africa came in the wake of changing attitudes towards SA and the acceptance of the country as an economic and manufacturing force in Africa, said CE Bert Wessels. BDAM 26/3/93

The group's export opportunities into Africa previously were limited by Toyota Motor Corporation in Japan to countries within the SA Customs Union. The agreement, which Wessels hoped would be the first of many in Africa, had the backing of Toyota in Japan.

SA-built Toyotas would substantially reduce the delivery time, about 6-12 weeks from date of order, against about 25 weeks from Japan, said Wessels.

The range to be supplied included the Corolla 1,3l sedan, selling for 104 000 kwacha (R77 000), and the Toyota Stallion pick-up at 80 075 kwacha (R59 314) It would be expanded to include the Venture. The vehicles would be fitted with a "Harsh and Dusty road" package for the harsher road conditions.

Toyota's SA's annual production of about 85 000 vehicles — about a third of SA's market — amounted to half of all vehicles sold on the continent outside SA. Sales volumes in Malawi were expected to be relatively low and could be affected by a lack of foreign exchange, a spokesman said.

Credit Guarantee business development manager Richard du Toit said Malawi's forex reserves were so low Credit Guarantee would not cover exports to that country. It had closed its offices there.

Japan's envoy sees limited potential for investing in SA

(66)

ARG 27/3/93

BRUCE CAMERON, Business Staff

SOUTH Africa's importance to Japan's economy and its potential for attracting Japanese investment were limited, Japanese ambassador Mr Katsumi Sezaki said this week.

Speaking at the opening of a series of management courses organised by Cape Town-based Omega Investment Research and Nissan (South Africa) in Cape Town and Johannesburg, Mr Sezaki said Japanese investment was being withheld from South Africa for a number of reasons.

Firstly, potential Japanese investors were not confident about South Africa's political stability and were concerned about its political and criminal violence.

He added that if South African businessmen did not have enough confidence to invest here it was impossible for foreign investors to do so.

US sanctions had also limited Japanese interest in South Africa as major Japanese companies had huge American business interests and did not want to damage their "good corporate image".

Mr Sezaki said he was nevertheless encouraged by ANC leaders talking openly about market principles and the importance of the private sector.

Mr Sezaki said South Africa's share of total Japanese trade in 1991 was only 0,6 percent and the trade of Japan's four biggest trading houses was greater than South Africa's total trade of R41,2 billion.

But he pointed out that Japanese trade with this country was greater than that with the other 46 sub-Saharan countries combined and almost equal to Japan's trade with India.

Slow reawakening of Japan's business interest in SA

66

BDay 29/3/93.

KATSUMI SEZAKI

DURING my previous posting to SA from September 1985 to December 1987, my job as consul-general was to discourage the expansion of trade and tourism; and to watch that there should be no cultural and sports exchanges.

I was virtually forbidden from discharging the normal responsibility of a diplomat — the promotion of national interests. I left Pretoria with a sense of frustration and pessimism on the future of this country.

I am very happy to have returned in a new chapter of relations between Japan and SA.

Japan imports vanadium, chromium, manganese, platinum and coal from SA. And Japan is one of SA's major suppliers to SA of manufactured goods, and possibly high-technology in the future. Therefore, the two economies are complementary.

However, at this stage the importance of SA to the Japanese economy is relatively limited, except in the field of rare metals. SA's share of our total trade was only 0,6% in 1991, and only 0,5% as far as Japan's total exports were concerned.

Total trade in 1992 was $41,2bn. Four Japanese trading houses (C-Itoh, Mitsui, Mitsubishi and Marubeni respectively) each have a turnover of more than that amount. This succinctly demonstrates SA's magnitude in Japanese trade terms.

However, this should not be a disappointment. SA/Japan trade is greater than Japan's total trade with 46 sub-Saharan countries combined, and almost equivalent to Japan's total trade with India.

Trade relations between our two countries were adversely affected by sanctions. Some Japanese companies which had maintained offices in SA for many years had to close them and leave SA for good.

The number of Japanese entities in SA decreased from 80 to 46. The size of the Japanese community also shrank from 1 200 people to a little over 600.

However, in October 1991, in response to positive political changes in SA the Japanese government lifted all economic sanctions except the mandatory arms embargo imposed by the UN Security Council.

Because of the worldwide recession which also affects the Japanese economy, and the devastating recession in SA, trade between our two countries has increased only slightly since October 1991, despite the lifting of sanctions. Japan possibly ranked as SA's fourth-largest trading partner in 1992 — after Germany, the US and the UK.

I hope the recovery of the Japanese economy, which is supposed to start in the second half of 1993, will give some stimulus to trade.

SA traders should be well aware of the big export opportunities not only in Japan, but also in other Asian markets.

The SA government and private sector are expected seriously to try to expand their exports to the world market, particularly the potentially profitable market in Japan, which imports about $250bn a year.

In the field of investment, Africa as a whole attracts the least interest of Japanese investors. Total Japanese investment in Africa in 1991 was $748m — only 1,8% of the total. It was 6,4% in 1981. These figures clearly indicate the deteriorating situation in Africa.

Most African countries lack basic infrastructure, political stability, skilled and educated workers. They are heavily dependent on a few primary commodities and face an insurmountable debt crisis.

Further, Japanese investors do not have enough information on investment opportunities, because Japan and Africa are far apart geographically and have historically had very limited contact.

Since the government removed all statutory restrictions on investment in SA, the Japan Federation of Economic Organisations (Keidanren), the Export-Import Bank of Japan and a large number of private companies have sent fact-finding missions to SA with an eye on future investment and financing.

However, although we are now heading towards the post-sanctions period, nobody has thus far decided to invest in this country of great potential.

There are a few reasons for this. Firstly, investors are not yet confident of political stability.

There is uncertainty and unpredictability about the political future. It is natural, therefore, that investors are adopting a wait-and-see attitude.

When SA businessmen do not have enough confidence to invest in their own country, it is impossible for foreign investors to do so. Violence — politically motivated or related only to general crime — is also detrimental to a healthy climate for investment.

Secondly, because of the formal position of black political organisations, in particular the ANC, there are still nearly 70 states and municipalities in the US which maintain rigid punitive measures against the violation of economic sanctions.

Since major Japanese companies have huge business interests in the US, they do not want to damage their good corporate citizen image there. Again, Japanese investors become extremely cautious.

Thirdly, SA is going to have an entirely new, nonracial, democratic government, hopefully within one year. We wholeheartedly welcome the establishment of this new government. Yet nobody is sure of what economic policies the new government leaders are going to adopt. What will be their views on corporate taxes, work permits for foreigners, the percentage of local components, labour policies, assurances for remmittance, and so on?

Without knowing the answers, investors simply cannot decide to come to SA, even if the ANC were to say that sanctions must be terminated today. Much remains to be seen regarding policies on foreign investment.

What is encouraging is that the ANC leaders are openly talking about market principles and the importance of the private sector, instead of socialism and nationalisation.

We also have to look at whether there are comparative advantages in SA. Certainly SA has an excellent infrastructure unparalleled in Africa. Yet labour costs for unskilled workers are relatively expensive compared with their Asian counterparts. This will divert investors from SA or induce them to select capital-intensive industries.

Of course, some investors will take risks and I assume that some Japanese companies will make a final decision about investment in SA in the near future.

In the domain of development assistance from donor countries, a UN agency estimated that SA would receive about $342m in 1992. Japan's contribution is less than 1% of the total. The reason for this negligible contribution is that SA is not officially recognised as an overseas development aid (ODA) recipient in the Organisation for Economic Cooperation and Development (OECD).

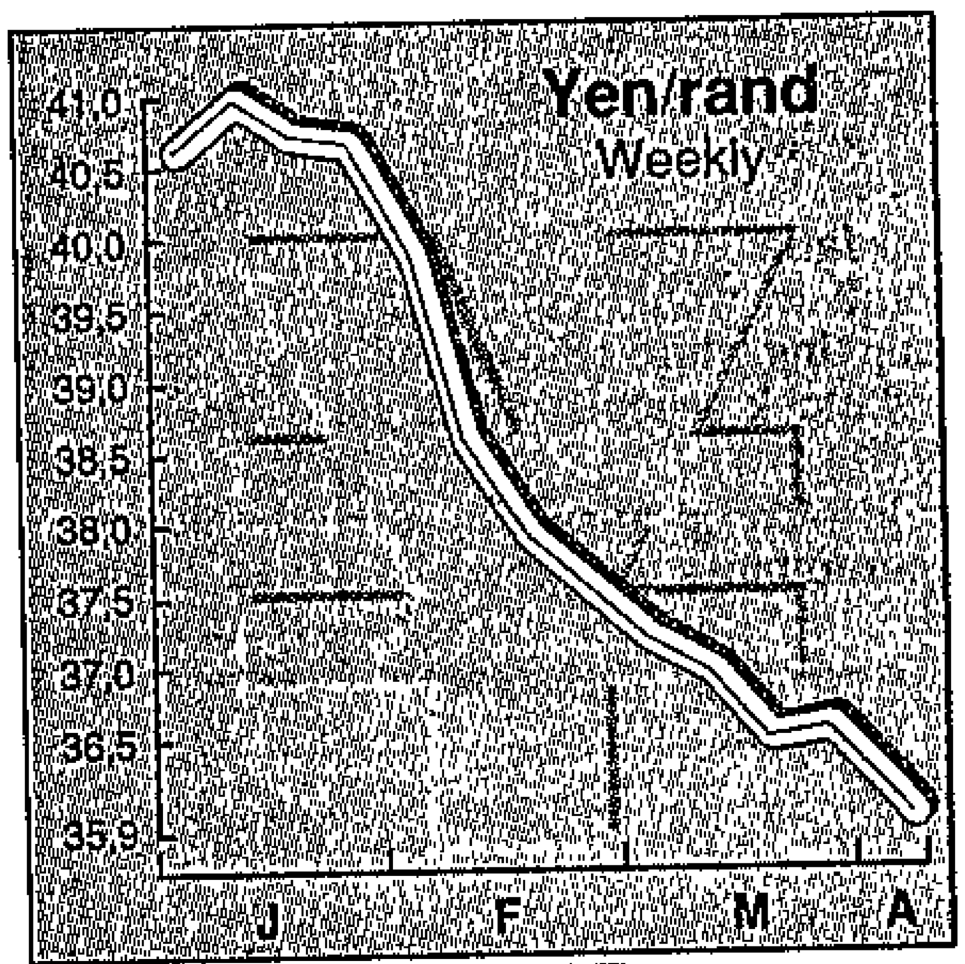
It seems SA policy-makers are ambivalent as to whether they should seek ODA recipient status because it would imply a lowering of creditworthiness in the international financial markets, and it becomes difficult to issue bonds or receive commercial loans.

In my humble opinion — which I hope is not too undiplomatic — SA needs a sizeable amount of grant aid, and concessional loans in addition to World Bank loans and private investment, to redress gross inequalities, improve infrastructure in black communities and enhance educational and vocational training for black people.

Unless SA receives a substantial amount of aid from external sources it will be extremely difficult to eliminate the economy's dual nature.

Once SA is recognised as an overseas aid recipient, Japan will, with due consideration to its own economic situation, allocate a larger share of ODA to SA.

☐ **This was an address last week by Japanese ambassador Sezaki to a course convened by Omega SA-Japan and Nissan SA.**



Graphic: RUBY-GAY MARTIN Source: I-NET

Yen bodes ill for car firms, buyers

TIM MARSLAND and EDWARD WEST

THE rand continued to fall against the soaring yen yesterday, boding further ill for local Japanese car manufacturers.

The rand closed at 35,96 yen from Wednesday's 36,22 yen. It has lost about 11% against the Japanese currency so far this year. BDM 2.4.93

A dealer said the yen was the "flavour of the year" on international markets because of speculation that the G-7 group of industrialised nations privately supported a stronger yen to reduce Japan's trade balance with the US.

Also boosting the yen was the Japanese financial year-end which resulted in companies selling dollars for yen to strengthen their balance sheets at home — a short-term pressure which could abate over the next few weeks, dealers said.

Motor industry sources said new car buyers were likely to be battered by price rises that were higher than inflation this year, because of the rand's depreciation against the yen.

A dealer said local car makers with Japanese parents could suffer if they had not taken out sufficient cover to protect themselves against yen strength.

A Nissan SA spokesman said the yen's movement would affect mainly Japanese sourced vehicles. Prices were likely to increase above, or close to, the inflation rate, despite earlier predictions to the contrary.

He said the weak rand made it impossible to keep price increases within single-digit figures.

"As a rule of thumb, if you have a 1%

☐ To Page 2

Yen BDM 2/4/93

66

☐ From Page 1

forex movement against you, the selling price has to be adjusted upwards by about 0,5%."

Japanese sourced vehicles make up about 45% of SA's market.

Toyota marketing MD Brand Pretorius said currency fluctuations and the four percentage point increase in the VAT rate would lead to the group's car prices increasing close to, or above, 12% this year. All vehicle prices would rise from April 7 in line with the increase in VAT.

"We're caught between currency depreciation, competitiveness, a serious affordability crisis, keeping plant throughput at sustainable levels and the need to keep dealers in business.

"Margins are thin and there is not much left to cushion buyers with, and we do not see the rand stabilising yet," said Pretorius.

Four new models are being launched in the next two months. These include Delta's Astra, Samcor's Telstar and new Mazda 626, and Mercedes-Benz's 190 series.

Pretorius said these vehicles would be launched into the demand vacuum created by the pre-emptive buying before the increase in VAT on April 7.

Samancor, Nippon Denko tie up

Star 22/4/93

By Derek Tommey

(66)

A major Japanese company is planning to break a trend going back many years and make a direct investment in South Africa.

This follows an agreement between Samancor, the world's biggest producer of ferro-chrome, and Nippon Denko, a major Japanese producer of ferro-chrome, to establish a joint venture to sell South African ferro-chrome in Japan.

The agreement is subject to the outcome of a feasibility study.

If the companies go ahead with the arrangement, it will increase South Africa's ferro-chrome exports by about R100 million a year at the current depressed price, Wilrich Schroeder, general manager of Samancor, said last night.

Samancor would benefit from the increase in production, which should lead to lower unit costs, and from the profit on sales of ferro-chrome in Japan, he said.

Samancor hopes the link with Nippon Denko will lead to further sales in Japan.

However, Samancor is quite well represented in Japan.

Nippon Denko had been finding it increasingly difficult to sell its ferro-chrome at competitive prices because of the sharp appreciation in the value of the yen against the dollar, said Schroeder.

The proposed joint venture will be established in South Africa, with equal participation by Nippon Denko and Samancor.

The production facility of the joint venture will be the No 5 furnace of Samancor's Tubatse plant, which has a capacity of 60 000 tons a year.

Chrome ore will be supplied from Samancor's mines under a long-term agreement.

The announcement said the joint venture would strengthen the chromium businesses of both companies by utilising their respective strengths and combining Nippon Denko's sales network in Japan with Samancor's chromium resources and production facilities in South Africa.

Both companies will be represented on the joint venture's board of directors, with Samancor being responsible for production and Nippon Denko for sales.

Drought forces lower sugar forecast

Star 22/4/93

DURBAN — The first official estimate of cane and sugar production for the 1993/94 season is 11,7 million tons of cane, which should yield 1,3 million tons of sugar.

(S) Sugar

The forecast is 200 000 tons lower than the considerably reduced 1992/93 crop of 1,5 million tons of sugar.

Michael Mathews, executive director of the SA Sugar Association (Sasa), says domestic demand will be met and that in anticipation of a lower crop than envisaged, Sasa has taken steps to ensure commitments to world markets are met.

Commenting on the effects of the continuing drought, a spokesman for the Cane Growers' Association said yesterday a large number of growers would be seriously affected.

The drought relief measures arranged with the Government last season had enabled most growers to survive, albeit at a considerable cost.

Faced with a second successive crop failure, prospects for further survival would be difficult unless current negotiations with the Government resulted in meaningful relief measures, the spokesman said.

It was particularly important to counter possible large-scale unemployment and to lessen the impact that reduced grower incomes would have on rural towns and villages. — Sapa.

Samancor strikes deal with Japanese

BDay 22/4/93 (66)

JONO WATERS

SAMANCOR, in an attempt to speed its recovery from the prolonged downturn in the ferrochrome market, has reached an agreement with Japan's Nippon Denko which may lead to a multimillion-rand joint venture.

Chrome division GM Wilrich Schroeder said yesterday the deal involved the sale of half of Samancor's No 5 ferrochrome furnace at Tubatse to the Japanese steels group.

Schroeder said the project's go-ahead depended on the success of a feasibility study currently under way. He would not give a price for the possible transaction, but an analyst said the deal would amount to about R30m.

The furnace has a capacity of 60 000 tons a year compared with the group's total capacity of more than 1-million tons of ferrochrome a year.

Samancor's 16 furnaces are operating at about 50% capacity, but last year the group closed its entire capacity for three months when customers shied away from SA material after local producers failed to make an increase in contract prices stick.

The agreement comes at a time when Samancor's chrome division is unlikely to turn in a profit because of weak ferrochrome prices and demand for the alloy from stainless steel producers worldwide.

Schroeder said the deal would enable the furnace to run at full capacity and restore its profitability.

Ferrochrome would be sold through Nippon Denko's sales network in Japan.

He added: "The joint venture will strengthen the chromium businesses of both companies."

An analyst said depressed conditions in the ferrochrome market were speeding restructuring in the industry, and Samancor would benefit from Nippon Denko's marketing facilities. He suggested similar deals could be struck by Samancor and SA's other ferrochrome producers with overseas parties. Consolidated Metallurgical Industries, SA's second major producer, has been running at a loss because of weak prices and demand.

BUSINESS

Bottom line on social spending

WMail 25/5 - 3/6/93.

In the chair .. Board of trustees chief AC Nkabinde

The Toyota Foundation's report on its social projects differs from the usual social investment report in providing facts and figures.

REG RUMNEY *reports*

IF FINE words buttered parsnips, social investment reporting would be a cholesterol hazard. It is seriously deficient in hard facts and figures

Now Toyota SA has stepped forward as one public company prepared, unprompted, to reveal those facts and figures.

The Toyota Foundation alone spent R2,3-million rand on social investment last year and will spend another R2,6-million this year. The foundation, governed by a board of trustees headed by Prof AC Nkabinde, will have spent R8,85-million over the period 1989 to 1993

In addition to the foundation spending, Toyota itself spent other money on donations, bursaries, and a housing scheme for employees, to give a total of R8,5-million for 1992 alone, with like amounts having been spent in previous years

That kind information differentiates the foundation's report from the bulk of the glossy, expensively produced reports on social investment that stream out of the corporate sector.

The report contains not only descriptions of the foundation's work and detailed information on its spending, but figures on Toyota SA's additional spending

This includes spending on help for Toyota employees to secure proper housing, and a bursary scheme. Whether these are strictly speaking social investment is a matter of definition.

Even if they are excluded, Toyota spent another R860 000 on donations, allocated by its donation committee.

Donations and the foundation's spending came to R3 175 705 in 1992, or just under 0,01 percent of Toyota SA's turnover of R3,2-billion.

The international norm is to express social spending as a percentage of pre-tax income. Common figures for social spending in the US and the UK are one to two percent.

Toyota's social spending, narrowly defined, amounted to a little over two percent of operating income in 1992, though that was a disastrous year because of a 49-day strike by the National Union of Metalworkers of South Africa.

Throw in housing and bursaries and Toyota's spending comes out as six percent of operating income.

Toyota, again unusually, gives a detailed analysis of what goes where. A glance at the comprehensive table shows most money goes towards technical education, with the biggest amount of R1 066 000 going to the kwaMakhuta Technical Orientation Centre in 1992, and the second biggest amount, of R505 000, going to Toyota Teach Primary School Project. The project will, according to the report, receive R505 000 this year.

Funding for foundation projects comes from annual contributions by Toyota SA and Toyota Motor Corporation Japan.

The report states: "The foundation has no other prime source of income aside from these grants and does not have the luxury of a large investment base from which it can derive income."

Budgeted spending for this and future years are also given.

The foundation, says the report, is already committed to funding existing projects through to February 1994 and by then will have devoted more than R13-million to social upliftment during the first five years of its existence.

Toyota has gone a lot further than many other firms in reporting on its social investment, though some, like Shell and Sanlam, to take random examples, have reported their social spending figures to *The Weekly Mail* Social Investment Award panel in past years. Among motor companies, BMW and Volkswagen have taken part in our survey.

A further step would have been to have an outside audit of the effectiveness of the company's social spending. However, since most of the money goes on education this might be difficult, since education is by nature a long-term investment in the future.

Toyota deserves commendation for this report, showing the way to the rest of the corporate sector.

ANIES

Market research key to future — Toyota

BDay 28/6/93 (66)

LINDA ENSOR

CAPE TOWN — Toyota was investing a disproportionate amount in market research because of the extreme volatility of the current situation in the country, MD Brand Pretorius said at a Institute of Marketing Management function at the weekend.

Pretorius, the newly elected president of the institute, emphasised that to succeed companies had to get a clear picture of the future economic, political and social scenario. It was also imperative to get a clear idea of the profile of tomorrow's customer both in demographic and psycho-demographic terms.

"Investment in market research could turn out to be the only sustainable advantage one has against one's competitors," Pretorius said, pointing out that the majority of Toyota's customers in future would be young, black and poor.

Price sensitivity would dominate consumption for many decades to come, and this would require strategies to drive value up and costs down.

He estimated that 40% of the future target market would be illiterate while 60-70% would use English only as a second language. Marketing would have to be simple, striking and emotional, and advertising agencies would have to move away from linguistic "acrobatics".

He said it was likely that SA companies would face increased competition both from international rivals and from the informal sector. Organisations would have to restructure to be able to take maximum advantage of the upswing.

Emphasis would have to be given to corporate image, including an involvement in social responsibility programmes. Internal marketing would be essential to win the commitment of staff. The lack of this commitment and a sense of belonging at Toyota was apparent in its last strike.

MINING FM 2/7/93 66

Enter mighty Miti

Confirming the resumption of normal relations between SA and Japan, last week saw the official opening of the Johannesburg branch of the Metal Mining Agency of Japan — an arm of the all-powerful Ministry of International Trade & Industry (Miti), the government body that often calls the shots on what Japanese business can and cannot do overseas. It also enforced restrictions on SA business links during the sanctions years.

Samancor MD Mike Salamon says: "The opening of the agency's office is a positive move and is important to us. It is a powerful symbol of the official recognition of SA by

FM 2/7/93 66

Japan."

Among the benefits to follow could be several joint ventures between Japanese and SA firms aimed at giving Japanese business direct stakes in SA's strategic minerals industry.

The first deal, which Salamon says is being closely watched in Japanese business circles as a test case, was the agreement announced in April between Samancor and Japanese steel firm Nippon Denko over the operation of one of Samancor's ferrochrome furnaces.

Yasuo Noguchi, the agency's executive director says: "It is one of our priorities to encourage joint ventures between Japanese and SA companies over a number of the strategic minerals that Japan needs, such as chrome and vanadium."

He says the agency's role is not to get directly involved, but instead to gather relevant information on prospects and pass this on to Japanese private-sector companies. He adds that the agency can, however, provide subsidised loans to Japanese companies to promote their involvement in suitable projects.

The agency's Johannesburg office will also look at mining developments in neighbouring countries such as Zimbabwe, Botswana, Mozambique, Namibia, Angola, Lesotho and Swaziland. ■

Ricoh renews SA ties

SI Times (Buss) 4/7/93

By DON ROBERTSON

JAPANESE electronics leader Ricoh plans to increase its business in South Africa.

Ricoh photocopier and facsimile machines have been distributed by Barlows subsidiary Nashua for the past few years. But the lifting of sanctions has allowed the company to renew its close ties with Nashua. (66)

A new agreement was signed by Nashua managing director Jac Moolman and Ricoh counterpart Ryuji Anraku.

Ricoh claims to have 40% of the R500-million-a-year photocopier market and 35% of the R100-million fax business.

In the past, Ricoh equipment was sourced from countries other than Japan to beat sanctions.

The company has international sales of R24-billion and five research and development groups around the world. The company is also exploring optical character recognition and context-based informational retrieval.

Mandela in middle as two Chinas lay claim to be rightful rulers

ST Times (Buss) 1/8/93

By KEVIN DAVIE

ANC president Nelson Mandela, visiting Taiwan this weekend, is now centre stage in the 40-year struggle between the Taipei and Beijing governments.

Both China (People's Republic of China) and Taiwan (Republic of China) are wooing the ANC as part of their struggle that began in 1949 to claim to be the legitimate government of China.

Most countries afford diplomatic status to China (population 1,2-billion). But SA is now the most significant country which has diplomatic links with Taiwan (20-million).

China and SA have established missions in both countries, but full diplomatic links will not be possible while Pretoria recognises Taipei.

Some diplomats believe that an ANC-dominated government might wish to switch allegiances. But others argue that the ANC has had almost no relationship with Beijing.

As part of Beijing's assertion that it was the true leader of world communism, it backed rival liberation movements to those supported by Moscow. So the ANC was supported by the Soviet Union and China backed the PAC.

Factories

A courtship began in recent years as Mr Mandela and senior ANC officials visited China.

Although some diplomats argue that an ANC government would move with other nations and recognise China, Taiwan's ambassador, I-Cheng Loh, believes that economics will decide the issue.

Taiwan does not monitor direct foreign investment in SA (every Taiwanese citizen is allowed to take out NT5-million (about $190 000) a year without clearance). There are 285 Taiwanese-owned factories in SA, mostly in regional growth points.

Figures from the Board for Regional Industrial Development show that foreign investors placed R558-million in the scheme in the past two years. The Taiwanese invested R328-million, the next biggest national investment being R70-million from the UK.

TAIWAN'S I-CHENG LOH: Economics will decide issue.

Taiwanese factories in SA employ between 40 000 and 45 000 people.

Mr Loh says Taiwanese investment in SA is by small investors: "We have tried hard, but have not managed to hook any big fish."

Taiwan is a big fish in terms of SA's trade, being its fifth-largest trading partner. But SA is a minnow in terms of Taiwan's trade.

SA trade has slipped since 1990 from 1,3% of Taiwan's total to an expected 1% this year.

Taiwan's trade last year was $153-billion, its chief partners being the US, Hong Kong and the EEC.

Mr Loh doubts that a new SA government will attract Taiwan's big fish.

"The Chinese go out and invest for cheaper wages, to be close to source material or to get around quota restrictions.

"Your wages are higher, much higher than in South-East Asia. You have resources such as gold and diamonds, but we don't have expertise in them."

Mr Loh says that where projects, such as the proposed naphtha cracker off Mossel Bay, have been studied, high input prices have made other destinations like Texas more attractive.

He says Taiwan wishes China well in its economic reform, but believes the mainland economy is severely overheated. He thinks the bubble will burst.

SA's direct trade with China ($232-million in 1992) has been boosted by the export of VW Jettas last year and this year. But this export is likely to dry up because China intends producing its own Jettas in a joint venture with VW.

SA's total trade with China is estimated at $1,3-billion if business going through Hong Kong and Singapore is included. This puts China in sixth spot behind trade of $1,7-billion with Taiwan, but Mr Loh doubts these estimates.

"Safmarine now calls at mainland Chinese ports. I can't think of any trade which is cleared through Hong Kong."

Taiwan and China have recently had talks through front organisations on possible reunification.

Mr Loh says if the mainland reforms sufficiently to allow a true market economy ("not a socialist market economy with Chinese characteristics") and free political activity, reunification will be possible.

"We will win an election and there will once again be one China," he says.

Nissan shifts SA link into top gear

ST Times (Buss)

23/10/94

(66)

JAPANESE car giant Nissan is integrating Nissan South Africa fully into its worldwide supply network.

Nissan director Norio Ohsawa outlined the process during an interview this week at the car manufacturer's head office in Tokyo.

Mr Ohsawa, who is general manager of Nissan's Middle East and Africa division, says that Nissan is also studying the possiblity of re-investing in the SA operations. No decision has yet been taken, he says.

As part of South Africa's inclusion in the supply network Nissan SA was this month designated one of three suppliers to the entire African market.

The diversification of

NORIO OHSAWA

By SVEN LUNSCHE

Nissan's supply network has been accelerated by the recent strengthening of the yen, which makes Japanese exports more expensive.

"We are taking a close and creative look at our whole supply network and South Africa is one of the key components in this strategy," Mr Ohsawa said.

He described Nissan SA as one of the top-rated members of Nissan's global family of 27 manufacturing bases.

"The previous political situation prevented us from increasing our activities in South Africa. We can now look at the country as a fully integrated part of our company," Mr Ohsawa commented.

He was not unduly concerned about the recent strike that hit South Africa's motor manufacturers.

"It is a sign that the market is in a difficult stage, but industrial actions in our operations around the world are always resolved in negotiations," Mr Ohsawa said.

He added, however, that the strike was a sign that SA society had not yet fully stabilised, which was essential to Nissan Japan before any decision on direct investments was taken.

He was also concerned about delays in finalising the government's industrial strategy towards the motor industry.

"We are quite happy with the Phase VI local content programme with its strong emphasis on export incentives and would accept a similar programme," Mr Ohsawa said.

"Ideally we would like to see an open market but we are sensitive to the need for high employment in the SA economy and hope the next policy will take cognisance of that."

Mr Ohsawa also stressed that Nissan SA was in a financial position where it did not require immediate equity investment.

"In the long term, however, Nissan's growth potential in the region will justify more direct financial and technical support."

He said Nissan Japan would benefit from improved production levels through increased components exports and higher royalties.

He sees the local operation's growth potential in three major areas:

- The SA market, which is currently depressed with total vehicle sales of about 300 000 units. "We see this market growing steadily to reach about 450 000 unit sales over the next few years, which makes it attractive."
- Expansion to the sub-Saharan market. "We announced earlier this month that supplies to the African market would now be sourced from South Africa, Britain and Spain instead of Japan," Mr Ohsawa said.

"This proposal was enthusiastically welcomed by our 50 African dealers."

Of the three operations South Africa is in the most favourable position to exploit the market. Nissan SA would focus on Southern and East Africa at first, expanding later to West Africa.

Last year Nissan's sales to Africa totalled a mere 15 000 units but the market has the potential for sales of up to 100 000 vehicles.

- Exports of car parts and components to other manufacturing bases, which would be developed as part of Nissan's strategy to diversify global supplies.

UPBEAT . . . John Job, who foresees improving prices for Sentrachem chemicals

Sentrachem gives an encore

By SVEN LUNSCHE

CHEMICAL group Sentrachem is confident that it can repeat last year's strong financial performance in the current financial year.

John Job, Sentrachem's managing director, is upbeat about the group's prospects, following a year in which turnover topped R3-billion for the first time, market capitalisation rose to R2-billion and attributable profits soared by 38% to R120-million.

The market seems to share his optimism. Sentrachem's share price has risen steadily since last year. In January 1993 it was trading at just over 500c; a year later the shares hit R10 and they are currently trading at R15.

Mr Job's confidence is based on indications that local demand patterns are strengthening and that the world chemical cycle is on the mend.

"Many of our products, particularly polymers and plastics, are likely to see their first real increase in prices in almost six years," he says.

Higher world prices will also benefit the group's export drive. In the last financial year exports of R464-million accounted for 15% of turnover. "We are now setting ourself a target of 25%," he says, adding though that there were no concrete plans to establish offshore manufacturing sites.

On the domestic scene, Mr Job says that the group is looking at investment opportunities but that this will not be undertaken at the expense of a stronger balance sheet.

"We have worked hard at strengthening the balance sheet through the recent rights offer and substantial re-engineering of our operations. We will not want to let our gearing ratio slip well above 30%," he says.

Electronics giant Samsung invests in SA

NICOLA JENVEY

(66)

KOREAN-based electronics group Samsung had acquired a majority stake in SA consumer electronics company Etron in a move which would see R150m invested in the country over the next two years and the creation of 300 new jobs, Samsung said at the weekend.

In terms of the deal, effective immediately, a new joint venture company to be known as Samsung Electronics SA had been created.

Samsung Electronics SA MD Brian Cape said his company intended capitalising on Samsung's muscle, as "its quality is equal to SA's best".

"The Korean input will ensure we achieve a R400m turnover within the next four years and significant gains in market share. By June 1995 — a year since the deal was first initiated — we shall be SA's largest full-range supplier of consumer electronic goods," Cape said.

He said Samsung's investment in SA was not only a strong signal of international investor confidence, but also timely in view of new development initiatives in SA.

"Consumer electronics is one of SA's fastest-growing industries, due to the massive electrification projects and growing number of consumers with disposable income," he said.

About 600 000 colour television sets were expected to be sold this year, up from the 510 000 sold last year.

Samsung, Korea's single biggest corporation, was the world's sixth largest colour television set manufacturer, second largest microwave oven and video recorder manufacturer and the world's largest manufacturer of memory microchips.

Cape said that although Samsung's products were in line with the quality and features of top brand names, its prices would be lower.

Samsung also had major interests in heavy industry, petrochemicals, pharmaceuticals, shipbuilding and jet engines. BD 20/2/95

Japanese wary about SA

CT(BR)2/5/95 (66)

By Bruce Cameron

POLITICAL EDITOR

Japan's major corporations plan to increase investment in South Africa but only in the medium to long term, once the country has proved its stability.

This was revealed in the results of a survey conducted six months ago by a powerful Japanese business organisation, the Keidanren. The results of the survey, which canvassed 50 corporations doing or planning to do business with South Africa, are being circulated among senior members of the South African government.

The government is concerned because, according to the the survey, Japanese corporations see South Africa mainly as a supplier of raw materials and a market for manufactured goods.

Japanese companies said that because South Africa had important resources, including precious and nonferrous metals, which were indispensable to Japan, "the need to assure supplies of these resources will lead to increased Japanese corporate investment over the medium and long term".

But because of the need to ascertain political and social stability and the effects of the reconstruction and development programme, rapid investment expansion was precluded.

The companies were critical of South Africa's import tariffs as a barrier to trade.

☐ See next page

JAPAN (66)

A loan at last

FM 5/5/95

The view of some Japanese corporations that it's too soon to make fixed investments in SA is not necessarily shared by the Japanese government, says an official.

Hakuo Yanagisawa, Japan's parliamentary vice-minister for foreign affairs, says the fact that proffered economic aid includes government investment guarantees, is proof that Tokyo sees SA as a viable investment destination.

Yanagisawa made his comments in Johannesburg during a short sweep last week through SA and Zimbabwe. He says Japan is likely to grant a SA request for US$250m soft loans as part of a $1,3bn two-year aid package offered in 1994.

He adds that the inclusion in that package of trade and investment guarantees is proof that, "as far as we are concerned, the opportunity to invest in SA is not negative." Still, he admits that although several Japanese and SA companies are holding talks, there is "no clear picture" of the overall attitude of Japanese business towards SA.

In fact, there exists a strong wait-and-see attitude among potential investors. Many Japanese businessmen, both SA-based and visiting from Japan, admit they are uncertain of SA's long-term economic direction. In particular, they are nervous of President Nelson Mandela's potential successors and whether they will support existing commitments to investment and free trade.

Japan is likely to announce acceptance of SA's soft-loan requests during Mandela's official visit there in early July. It also hopes by then that SA will have firmed up its support for Japan's campaign to become a permanent member of the UN Security Council.

Yanagisawa says that although SA government officials last week supported the notion in principle, they were also "quite vague." They have promised a more detailed position soon, he says. ■

Japanese investors favour SA

CT(BR) 12/9/95 (66)

BY DEREK TOMMEY

South Africa can expect large amounts of Japanese investment money in coming years, a senior Japanese banker told the South African Investment Summit conference in Johannesburg yesterday.

Tatsuro Arita, the senior managing director of The Fuji Bank, United Kingdom, said that for Japanese investors he believed South Africa had four extremely positive factors in its favour.

The first was that it has abundant mineral resources; the second was that industrial infrastructure was highly advanced and superior to that in Singapore and Hong Kong; the third was that it had a sophisticated securities market and the fourth was that most South Africans spoke English.

He said the greater part of Japanese investment in Europe had gone to Britain because of the English language factor, which was important to the Japanese. However, the East Asian countries are still the major target for Japanese investment. This reflects their stable political and social systems and confidence in the region's business environment.

R112,5m investment in Automakers

(492)(66)

Michael Urquhart BD 14/9/94

JAPANESE industrial giant Mitsui Corporation and motor group Nissan Diesel would invest R112,5m for a 13% stake in soon-to-be-listed SA motor manufacturer Automakers, Automakers announced yesterday.

As part of the new structure of the group, which is the holding company for Nissan SA, investment group Sankorp would reduce its stake in Automakers from 100% to 55%.

Nissan Diesel would be investing R37,5m, giving it a 4,3% stake in Automakers, while Mitsui would be investing R75m.

Automakers CE John Newbury said the listing of the group, on October 24, would raise about R224m. Of this,

Continued on Page 2

Automakers

(492)(66)(793)

Continued from Page 1

R125m would go into the company, and the remainder would be used to reduce the holding of Sankorp.

He said Nissan Motor Corporation in Japan had not been able to take a stake in Nissan SA, as it was busy cutting back its operations in Japan and it would not like to make an offshore investment at the same time. But further Sankorp equity could be released at a later date to give the Japanese motoring giant a stake in Nissan SA, he said.

The unions and workforce would be encouraged to take a stake in Automakers, with an assisted issue to staff members down to shop-floor level.

Newbury said the investments by the two Japanese groups gave Nissan SA strong international partners as it moved into the next phase of domestic growth and expanded internationally.

SA must take a leaf from the East

WM (BM) 15-21/9/95

What must South Africa do to attract — and keep — Japanese investment? Karen Harverson reports

(bb)

THE Southern African region will almost certainly get Japanese investment in the future, but it needs to learn from the experiences of Asian countries which have attracted the bulk of Japanese investment and continue to attract it.

Speaking at the Southern African Investment Summit this week, Fuji Bank MD Tatsuro Arita said although Japanese foreign investment was concentrated in the East Asian region, diversification of Japanese interests and activities to other emerging economies can be expected as the Japanese economy recovers and becomes increasingly globalised.

He said the stable political and social systems of Asian countries and confidence in their business environments were the main reasons for the vast capital investment by Japanese, American and European countries.

"These countries, which are now mostly free market-based economies that are well integrated into the global economy, have certain attributes that distinguish them from other developing regions such as Latin America."

He listed fiscal discipline, export-orientated economic policies, higher private savings and educational attainment rates as important factors.

"More importantly, these Asian countries have adopted open trading and investment regimes while also encouraging productive relationships between investor and recipient."

Deputy President FW de Klerk said South Africa's prospects for the future were excellent, but depended on rapid and sustained economic growth.

Unless tangible benefits reached the people of South Africa, the country would pay a price in stability, law and order, and peace. "We need to grow rapidly, at least at 4,5 to six percent if we wish to make substantial progress. At the present growth of three percent, we are barely keeping pace with our population growth."

De Klerk said the answer lay in the development of an outward-orientated economy such as Taiwan, Korea, Chile, Malaysia and Hong Kong.

To achieve this, the economy has to open up in line with Gatt undertakings. "We will have to accept the challenge of open competition, not only in international markets but in our own back yard, without the cosy protection of tariffs and subsidies."

He added that South Africa must improve its labour productivity. "This will require a much more co-operative relationship between labour and management than we have now."

A genuine social contract would be needed between workers, employers and the government to work as a team to produce high-quality products and services at the right price.

'New caretakers' proposed for Table Mountain

(66)

JOSEPH ARANES
Staff Reporter

ARG 7/10/95

A RECOMMENDATION that Cape Town should lose control over its most prominent feature, Table Mountain, has been generally welcomed.

The Table Mountain and Peninsula Advisory Committee has made the recommendation to the government.

According to the recommendation by the committee, the National Parks Board should be appointed as the responsible management authority for the Cape Peninsula Protected Natural Environment, and new legislation for the area should be finalised before the end of next year.

In its report to Environment Minister Dawie de Villiers, the committee recommended that the NPB should be given custody of the Table Mountain chain, even before it formally took over management.

The mountain chain, owned and controlled by a variety of government departments, local authorities and private landowners, is at present overseen by a purely advisory management committee which reports to the provincial government.

Dr De Villiers said he found the proposals "quite acceptable".

He also confirmed that the mountain was one of the priority sites for which South Africa would seek world heritage status once parliament had approved the international convention on such sites.

"Legislation would provide for a strong advisory body which would allow local inputs into the management of the area."

Brian Huntley, committee chairman and chief executive of the National Botanic Institute, said the area involved some 30 000 hectares stretching from Signal Hill in the north to Cape Point.

"People who lived within sight of Table Mountain got very passionate and possessive about it and perhaps felt strongly that whatever authority took over the mountain should be attentive to their concerns and fears.

"The committee is sure this is the best route to follow," he said.

Japanese investment in SA 'is hampered by distance'

BD 10/4/97 (66) ([illegible])

Stephané Bothma

TOKYO — Japanese companies had invested more than R1bn in SA over the past three years, both directly and through joint ventures with local companies, the Bank of Tokyo Mitsubishi said yesterday.

However, the distance between the two countries and a lack of knowledge about SA hampered more rapid investments by Japanese listed companies, the bank's senior manger for the Middle East and Africa, K Kawaguchi said.

He told a delegation of SA journalists visiting Japan as guests of SA Airways to coincide with the airline's new direct service to Osaka, that the depreciation of the Japanese yen in recent years had also prevented Japanese companies from establishing offshore manufacturing facilities.

"Because of the depreciation of our currency, Japanese companies prefer to produce in Japan, especially where high-tech products are concerned," Kawaguchi said.

In addition to SA's obvious attractions for Japanese businessmen, such as the country's natural resources, tourism could also be a major money-spinner. More than 16-million Japanese travelled abroad last year.

"But the Japanese know very little about SA. They do not know where the country is situated, what is produced by SA, and have no knowledge of the country's potential as a major tourist destination. We must be educated."

Kawaguchi said his bank, the largest in the world, believed that the trend to invest in SA would steadily increase. Japan was convinced that SA would enjoy political stability for at least the next six years and that the value of the rand had stabilised significantly — "at least for this year".

The largest investment by a Japanese company since the 1994 general election has been the purchase by Toyota of a 27,8 % stake in Toyota SA for R446m last year. In addition, tyre manufacturer Bridgestone has invested R290m in Firestone SA.

Leading Japanese trading companies Mitsui and Nissho Iwai have also confirmed plans for investments of about R850m in joint ventures with SA mining companies. These are believed to be a potential stake for the Mitsui group in the Gencor-backed zinc refinery proposed for the Eastern Cape, and a share for Nissho Iwai in a new Samancor ferroalloys furnace.

Bridgestone may pump R44m into SA

CT (BR) 11/4/97 (bb)

Jonathan Rosenthal

Johannesburg — Bridgestone, the Japanese tyre company with a claimed 19 percent of world tyre sales, could invest more than R44 million to improve quality and productivity at its South African tyre plants, Yoichiro Kaizaki, the president, chairman and chief executive of Bridgestone, said yesterday.

Bridgestone acquired Fedstone, Firestone's holding company in South Africa, from Murray & Roberts for R290 million earlier this year.

Kaizaki said he was still assessing the South African subsidiary and had not yet determined what Bridgestone would need to invest. But he said at least $10 million could be invested to bring quality in line with the rest of the group.

He said the group was unlikely to retrench any of the 1 800 employees working in the company's production plants, but would rather improve productivity. The group hoped to increase tyre production by 30 percent within two years and double production over five years.

The South African operation has increased its productivity by 40 percent over the past few years through technology transfusions from Bridgestone, but not without cost.

Last year the group reduced staff at the Brits and Port Elizabeth factories by about 500, leading to a five-week strike at the Port Elizabeth plant.

While 15 percent of the group's South African production was exported, primarily to Africa and Europe, Kaizaki said the first priority would be to improve the presence of Bridgestone's brands in South Africa. Bridgestone and Firestone brands account for a claimed 24 percent of domestic sales, but the group said it planned to seize the top spot in the market from rival Goodyear.

Kaizaki was in South Africafor the official inauguration of Bridgestone Firestone South Africa, which will be headed by Katsuhiko Yamamoto.

ROLL OUT THE BARREL *The traditional Japanese barrel-breaking ceremony called Kagami-Wari symbolises a new start or a beginning, in this case between Bridgestone South Africa and its Japanese parent. Seen here are (from the left) Katsuhiko Yamamoto, the chairman and chief executive of Bridgestone South Africa, Tito Mboweni, the minister of labour, and Yoichiro Kaizaki, the president, chairman and chief executive of Bridgestone Japan* PHOTO JOHN WOODROOF

NEWS

Japan takes on SA tobacco giants

ARG 17/5/97

Two top American-style brands launched in Cape

(66)

IAN SHIFFMAN
BUSINESS REPORTER

Japanese cigarette manufacturer Japan Tobacco is to take on South Africa's cigarette giants at their own game, launching two of its top brands on the domestic market.

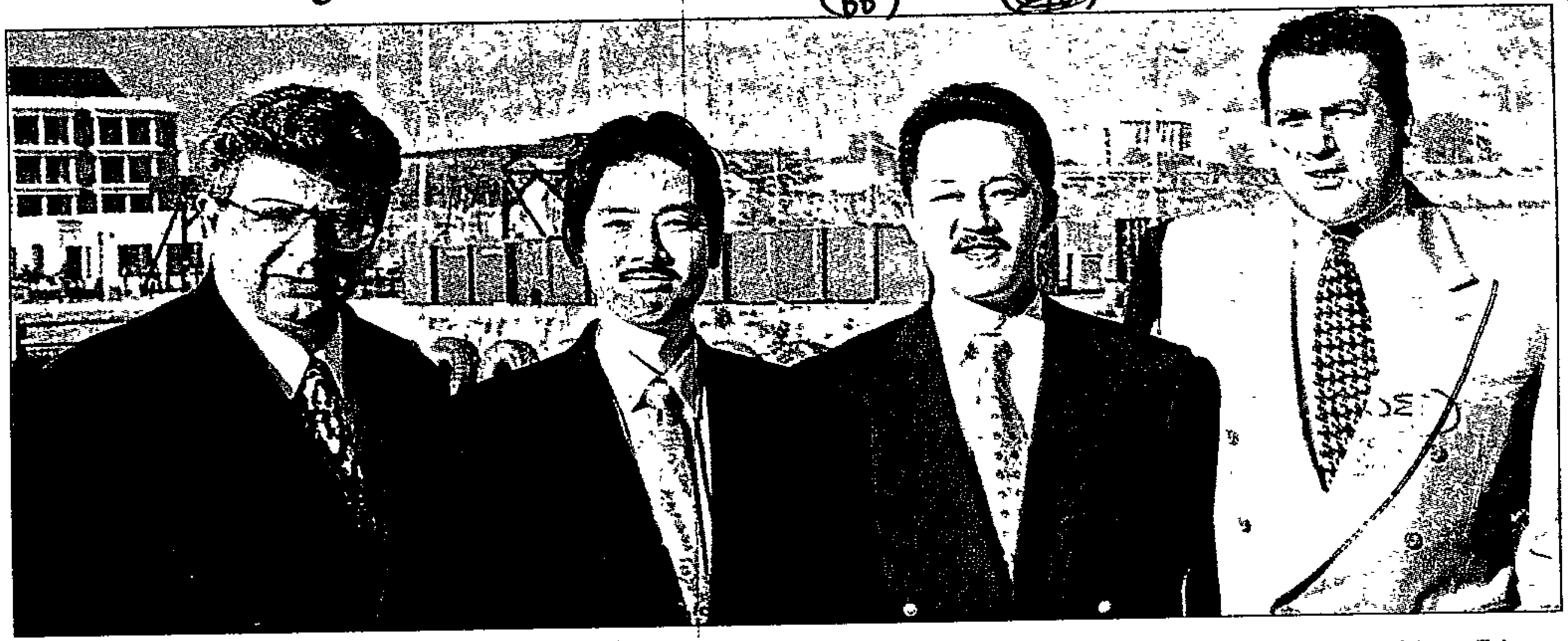
Japan Tobacco, which has an annual turnover in excess of $25 billion (R112 billion) has launched its American-blend brands Wave and Hi-Lite, starting in the Western Cape.

Wave and Hi-Lite are being sold at the recommended price of local cigarèttes, that is R4,90 for a packet of 20.

The company intends to launch in Gauteng in three months and in Durban and nationally within six months.

Japan Tobacco sees South Africa as a growing market for its products and will introduce the world's second largest selling brand, Mild Seven, early next year.

The cigarettes, manufactured in Japan and imported into South Africa, are American blends which have overtaken Virginia blends worldwide, according to Koza Ogita, area manager for Europe of Japan Tobacco International.



Coming in smoking: at the launch this week of Japan Tobacco brands in South Africa are Solly Sakal, Kozo Ogita and Tetsuo Nishihara of Japan Tobacco International and Hans Nuls, director of South African distributors Sakal Brothers

He said South Africa was one of the few countries where Virginia blends were still sold in any great quantity.

Japan Tobacco produces more than 100 brands of cigarettes and has 26 manufacturing plants in Japan and one in Britain.

Outside Japan, South Korea and Taiwan are the group's biggest markets. It already sells in Zimbabwe.

Japanese attracted to SA

(66) ([redacted]) Sowetan

SOUTH Africa is proving an increasingly attractive destination for Japanese corporate investment as it expands its regional economic ties.

According to the Johannesburg-based Japan External Trade Organisation (Jetro), Japan's investment here has taken off this year.

The Industrial Development Corporation of South Africa says Japanese direct investment increased to slightly above R1 billion in the first nine months of this year, compared to about R1,60 billion invested over the preceding two and a half years.

This was expected to surge after Minister of Trade and Industry Alec Erwin's recent tour of Japan.

IDC believes that the automakers have led the investment surge, with Toyota Motor Corporation buying a 28 percent stake in Toyota SA Ltd earlier this year. The transaction made cars for the Japanese company under licence.

Nissan Motor Co also acquired 50 percent of its licensee, Automakers Ltd., and South Africa's major tyremaker Fedstone Ltd was bought by the Bridgestone Corporation.

Jetro also believes that greater economic cooperation among South African Development Community (SADC) countries has also increased interest in the country. – *Business Reporter*