

# CAPE Business News

ISSN 1028-1215



FOUNDED 1980

SA: R15.00 (Incl. VAT)

OCTOBER 2016

## Walk tough

AVI is walking some uncomfortable miles with recent acquisition Green Cross.



## Meat prices to increase 15% by December

Prices are expected to increase due to increased demand over festive season.



## Competitions Commission raids container operators

The SACC has raided local offices of five global shipping lines.



## Western Cape BEE: a hive of activity

Western Cape empowerment is stirring again. The province has hosted some of the most enduring empowerment companies – Brimstone Investment Corporation, African Empowerment Equity Investments (AEEI), Grand Parade Investments (GPI), Vunani Limited and Hosken Consolidated Investments (HCI.) However, in some well documented instances, empowerment ventures (NAIL, RAIL, Mvelaphanda etc.) have been disappointingly short-lived, but Cape-based empowerment companies have had more staying power – although sometimes there is criticism that there is an overriding sense of corporate conservatism.

But things might be changing. Certainly CBN can report that a new force appears to be mustering under the auspices of former HCI executive and co-founder Marcel Golding.

Golding – a former trade union stalwart – formed a formidable corporate duo with fellow trade unionist Johnny Copelyn in the late nineties, resuscitating the old HCI shell into a dynamic investment house with lucrative investments in casinos, alternative gaming, property, resources, industrial holdings and media. In 2014 Golding – who headed up HCI's media segment – fell out with controlling shareholder SACTWU, and was ultimately forced off the empowerment investment company's board of directors.

Initially he kept a low profile, but in recent weeks he has been involved in three transactions with JSE-listed counters – buying positions of significant influence at Salt

River-based fashion retailer Rex Trueform (Rextru), construction and engineering counter Esor and black-owned financial services company Vunani. Golding has acquired these strategic stakes via a family-owned investment company called Geomer. At the moment it is not exactly clear what Golding's intentions are with Geomer, although initial speculation is that Geomer might be listed on the JSE as a vehicle to house Golding's investments.

There is also speculation that Golding might reverse Geomer's assets into Rextru – perhaps after the fashion retailing interests are sold off to the Shub family (which controls Rextru.) Whatever transpires, it seems he is on a mission. He has cashed out a substantial sum of capital by exiting most of his investment in HCI.

At this juncture it appears that Golding is intent on acquiring strategic stakes in undervalued companies that are no longer on the radar of mainstream investors. This could see an interesting array of assets accumulated by a patient investor. His re-emergence into the corporate world coincides with a fresh bout of activity amongst Western Cape-based empowerment companies.

All eyes are now on Vunani, to see how effectively the company puts to work the not insubstantial capital raised last month by issuing shares to Golding (who snagged an influential 20% stake.)

Vunani's operations span fund management, asset administration, investment banking and private client

stockbroking. In the period to end February 2016 the company managed a commendable turnaround, reporting a marked rise in revenue to R154m and profit of R8,3m compared with a loss of R25,3m in the previous financial year.

Whether Golding's emergence as a significant shareholder can be interpreted as a sign that Vunani is about to embark on some adventurous corporate action is certainly something to mill. In Vunani's annual report CEO Ethan Dube said the prospect of improved business conditions into 2017 should bring the concomitant opportunity for organic growth to the respective company businesses.

While he stressed organic growth and effective management of margins as central strategies, he admitted Vunani remained "vigilant and open to all opportunities on a case-by-case basis to evaluate if they are value enhancing for shareholders."

Brimstone – which is largely centred around food investments in Sea Harvest and Oceana, as well as a minority stake in private hospitals group Life Health Care – ironically sold its Rextru shares to Golding and also recently exited its investment in food franchising business Taste Holdings. But arguably the most encouraging development at Brimstone was the progress in turning around its 100%-owned short-term insurance company, Lion of Africa.

After uncovering some rather unsavoury issues at Lion of Africa, Brimstone

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## Invicta styles with tiles



Cape Town-based industrial products distributor Invicta Holdings – which is controlled by retail tycoon Christo Wiese – looks set to stack up some big profits at its tile specialist Tiletoria in the financial year ahead. In Invicta's latest annual report CEO Charles Walters said the group had established a good platform for Paarden Eiland-based Tiletoria in financial year 2016 to set an exciting basis for the next three years. He predicted this would take Tiletoria to a completely new level in terms of product offering and value added services.

"We believe this will yield improved results for all our stakeholders."

Tiletoria was established in 1995 as a flooring specialist in the Western Cape. In 2007 Invicta acquired a controlling stake in Tiletoria for R46m, and the business has seen significant growth over the past eight years. Walters reckoned Tiletoria had cemented itself as one of the largest flooring solution businesses in South Africa with four major outlets in Cape Town, Johannesburg, Durban and Port Elizabeth.

A possible game changer is a new specification store ('Spec Studio') in Johannesburg. It was launched in April 2016. Walters says the store has secured some of the best staff in the specification industry, which would enhance value add to customers. Tiletoria is also at an advanced stage of opening a retail presence in Umhlanga to service the Durban area.

The company covers ceramic and

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## Western Cape BEE: a hive of activity

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parachuted in a new management team that has seemingly made a positive contribution at the short-term insurer. A net loss of just R3,4m included once off reorganisation costs and legacy claims, and was a far cry from the devastating R105,2m loss racked up in the previous financial year.

With Brimstone determined to continue rationalising its portfolio in short- to medium-term, the big question is whether a decision will be taken to spin off Lion of Africa into a separate listing on the JSE or look to merge the insurance business with another specialist player.

Brimstone has signalled an intention to play actively in the food sector, and deal flow might well be enhanced if the company's management were not distracted by relatively small financial services interests. Dare one ask whether Vunani might take an interest in Lion of Africa?

At the time of going to press Brimstone announced the sale of its stake in financial services specialist Afena Capital to an internal man-

agement consortium.

Brimstone's offshore food ventures – via Sea Harvest and Oceana – have hogged the lime-light. But the company is more than capable of seeking out niche food offerings – especially noting the success that

pansion across South Africa during the year and added 24 new restaurants to the network (which now comprise close to 70 outlets countrywide.)

What might also appear to be a case of 'fast growth indiges-

total restaurant operating profits from a loss of R1,3m last year to a profit of R16,5m. He said the average capital expenditure per new restaurant opened during the financial year topped R7,7m.

Indications are that

strong hints that subsidiary Premier Fishing could be spun off and listed separately sooner rather than later. Upcoming results to end of August should hopefully confirm these intentions with more detail being given on the time frame.

In the meantime, there are persistent rumours that Premier is set to make a sizeable acquisition on the fishing and food side. Talk around the fishing quays is that Premier could be dangling bait at the Saldanha Group – a deal that would ensure considerable critical mass for a listing on the JSE.

Last, but not least, it may be worth keeping tabs on HCI following a deal to merge the property interests of main subsidiary Tsogo Sun with Hospitality Property Fund (see "Less room at the inn" P12.)

HCI has made great strides in its property development ventures, and the smart money is betting that real estate could be the next big play at HCI – which also controls property rich industrial company Deneb Investments.

### Continued 'localisation' of Burger King's inputs also fattened gross margins.

giant investment company Remgro has had in sniffing out niches in artisanal chocolate, specialised beverages, fruit and confectionery.

Speaking of food; GPI – which is underpinned by valuable investments in Western Cape based gaming (including the cash spinning GrandWest) – last week reported significant progress in its efforts to roll out its fast food operations via the Burger King master franchise. At first glance matters don't look too appetising with Burger King notching up a loss of almost R30m in the year to end June. But Burger King continued its network ex-

tion' was GPI CEO Alan Keet reporting that the average monthly store revenues reduced by 20% from R1m last year to R800,000. This was largely as a result of the consumer coming under significant pressure during the year. Despite the pullback in the average monthly store revenues, Keet noted Burger King's total revenue for the year increased by 56% to R485m.

Continued 'localisation' of Burger King's inputs also fattened gross margins. Keet says the restaurant operating model was optimised during the year, and resulted in a R17,9m increase in the

Burger King could swing into profits at the end of the financial year to end June 2017 – which will help enormously in underpinning efforts to roll out new brand concepts like Dunkin' Donuts coffee shops and Baskin-Robbins ice-cream parlours.

At the time of writing, Grand Parade had just confirmed that Grand Foods earlier this year confirmed that South Africa's first Dunkin' Donuts restaurant would open in Cape Town at the end of this month (October.)

AEEL (the old Sekunjalo group) is also set to whet the market's appetite with

## Omron launches new industrial robots in SA

SOUTH Africa is one of 39 countries globally to benefit from Om-

ron's worldwide launch of 49 new robots. The robots are integrated

with Omron's family of sensors, safety components and award-

winning NX/NJ series machine automation controllers to simplify the implementation of robots in a production environment.

The company says these flexible and agile new solutions are ideally-suited to the local food and beverage, automotive and high technology industries.

Evert Janse Van Vuuren elaborates, "The programming software used for the Adept Robots, 'Adept Ace' has an integrated setup wizard, guiding the user through the configuration setup, allowing fast, easy and user-friendly configuration for pick and place sequences for many of the application scenarios pertaining to the South African market, including pick and place applications from stationary platforms, belt camera part picking, fixed camera part picking and static pick and place applications. In many applications relating to pick and place, with or without camera or belt tracking, no complex coding is necessary, due to the setup wizard automatic code generator."

A benefit of this launch is that it provides industrial robot



models achieving what the company terms "both high-speed performance and reliability." The release of the three robot families – SCARA, Delta and Articulated – bring both high-speed performance and reliability to the mechanical side of the Omron solution. All the robots can be controlled by a common integrated development environment, which enables flexible use of robot types in line with required applications.

It also enables comprehensive linkage with control products, such as PLCs, as Omron industrial robot solutions seamlessly link all robots with the machine control environment managed by the Sysmac automation platform.

This improves the total throughput of the most demanding production lines, overtaking the limitations of the traditional framework that uses conventional robots.

What's more, integrated software environment facilitates design and development. The Automation Control Environment (ACE) contains useful application oriented wizards that significantly minimise the amount of programming code. The users have access to a powerful 3D emulation tool that significantly reduces the time to validate new automated processes. Vision guided robotics applications are completely supported by the ACE PackXpert for packaging lines.

Omron's unique combination of software and control architecture addresses the factory automation challenges from producing a high variety mix of products with short product lifecycles that require rapid production line changeovers.

The common controls, integrated software architecture and development environment meet current and future needs for ease of process design, flexible operation and predictable maintenance.

"This global launch demonstrates Omron's ongoing focus on innovative solutions that advance manufacturing and productivity through integration of robots with sensing, control, motion and safety capabilities."

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# Walk tough

CONSUMER bands conglomerate AVI is walking a few uncomfortable miles with recently acquired health shoe specialist Green Cross. It is clear that the Cape Town-based shoe manufacturer and retailer raised a few blisters on AVI's income statement in

the financial year to end June, and that there will still be some hard yards before Green Cross steps up profitability. AVI acquired Green Cross in July 2012 for around R400m, hoping to add more scale to its existing shoe businesses in Spitz and Kurt Geiger.

AVI's financial results released last month showed that Green Cross had its retail sales disrupted by major mall renovations and store refurbishments, and that there was a lost sales opportunity from "sub optimal planning and buying activity."

Adding to Green Cross' woes was additional cost pressure from a weaker Rand. AVI also admitted there was a decrease in Green Cross' wholesale revenue and slow progress with (unspecified) initiatives.

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## Invicta styles with tiles

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porcelain tiles, laminated flooring, vinyl flooring, engineered flooring, bathroom accessories, sanitary ware, showers and a large tap range.

Italtile, a market leader in ceramic tiles, has been one of the best performing retail companies on the JSE in terms of consistent profit growth. Many pundits reckoned with Wiese's retail experience Tiletoria could become a serious contender in the building supplies space and replicate Italtile's successes.

Walters said the financial performance of Tiletoria in the past financial year was encouraging in a difficult economic

environment. He said revenue grew 5% with operating profit surging 36%. He says management had embarked on a further growth strategy for Tiletoria. Areas of focus would include improved value added services, implementing sustainable cost savings, improving stockholding and reducing working capital requirements to improve the liquidity.

Walters says Tiletoria was also determined to increase its African footprint in regions such as Namibia and other parts of Africa. He added that Tiletoria would also unveil new branding – including the launch of a new showroom in the Cape Town branch.



## Knock on wood

EPPING-based wood board business KayDav managed to buck poor economic conditions in the half-year ending June with satisfactory profit growth. Revenue from its core board distribution business increased 16% to R432m, while operating profit shifted up 13% to R19m.

But KayDav CEO Gary Davison sounded a note of caution for second half trading. He says the company as concerned on a macro-economic level about deteriorating growth forecasts for South Africa and the effect this might have on investment in property and furniture (two sectors that the board division services extensively.)

However, Davison says KayDav would continue to focus on its value offering to customers in order to maximise its market share.

"The Board Distribution and Adaptation segment currently enjoys significant market share and will therefore be more affected by slow or negative macro-economic growth. However we remain convinced that responding to the needs of our customers gives us opportunities for growth."

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**JONES**



# ArcelorMittal South Africa ensures broad-based participation in company

ARCELORMITTAL South Africa announced the terms of its broad-based black empowerment transaction, which takes the company another step closer to compliance with the requirements of the country's B-BBEE Codes of

Good Practice. This follows the announcement by the company in the first quarter of 2016 that Likamva Resources, a 100% black-owned and 58% black women-owned company, was selected as its preferred partner. The company says

it has considered a number of options to ensure 25% +1 B-BBEE ownership on a sustainable basis. "As a leader in the steel industry we have a significant role to play in ensuring the long-term sustainability of the local steel sector,

and our recent discussions with government have focused on a number of key initiatives that are necessary to ensure a successful steel industry that can continue contributing to the economic development of the country in the future," says

Wim de Klerk, CEO of ArcelorMittal South Africa. "Maintaining our licence to operate is a strategic objective and these initiatives all play an important part of our efforts to position ArcelorMittal South Africa as a transformed and

responsible business." The B-BBEE transaction, worth over R2,2bn, introduces a broad-based shareholding by various B-BBEE parties in ArcelorMittal South Africa as follows:

- A 17% interest through a special

- purpose vehicle (B-BBEE CO)
- B-BBEE CO has been established as a ring-fenced special purpose vehicle with the sole purpose of holding an investment in ArcelorMittal South Africa and whose shareholders will be Likamva and, eventually, a broad-based partner whose primary beneficiaries will be the major communities in which ArcelorMittal operates. The initial 17% interest in ArcelorMittal South Africa will be acquired by Likamva through notionally funded ordinary shares (A1 ordinary shares) to be issued by ArcelorMittal South Africa to the value of R1,75bn. The costs for the introduction of the broad-based community partner will be for Likamva's account, but ArcelorMittal South Africa will provide a loan for this purpose – which will also be capitalised to equity

- A 5,1% interest held by a new employee share scheme that will be managed through the ArcelorMittal South Africa (AMSA) Employee Empowerment Share Trust, to be established for this purpose, and which is in addition to the existing Ikageng Employee Share Option Scheme

- The AMSA Employee Empowerment Share Trust will acquire its interest in ArcelorMittal South Africa through notionally funded shares (A2 ordinary shares) to be issued by the company to the value of approximately R525m. The cost will be amortised over the scheme period as with Likamva "This structure allows for more effective broad-based participation in the steel industry and facilitates a greater share in the business for our employees," explains De Klerk.

B-BBEE CO and the New Employee Empowerment Share Trust, as holders of ArcelorMittal South Africa ordinary shares, will be prohibited from trading these shares during the 10-year lock-in scheme period in

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# Sea change at Ascendis

AFTER spending several billions of Rands on game changing off-shore acquisitions like Remdica and Scitec, fast-growing Steenberg-based health care conglomerate Ascendis has reconnected with its local roots with the purchase of seaweed processing specialists Afrikelp.

Although its production facilities are based in Gansbaai and Hermanus, Afrikelp exports the bulk of its seaweed derived natural growth stimulants to the agriculture and horticulture industries in around 70 countries (mostly in partnership with a German consumer brands company.)

Ascendis sees strong international growth, and pointed

out that Afrikelp – which exports 80% of its production – was complementary to its existing phyto-vet business Efekto. The specialised sea products market appears to be a vibrant agri-business segment, and other similar companies like Simonstown-based Kelp Products have come to prominence in the last decade.

African Empowerment Equity Investments (AEEI) also appears to be making good money from its Seagro plant fertiliser brands, while Oceana recently entered the global seafood and fish oil market with the acquisition of Louisiana-based Daybrook Fisheries.

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## Great wines, beautiful scenery, world-beating manufacturing

MANUFACTURING is the second largest sector in the Western Cape and contributes about 15% to the South African manufacturing sector output.

Securing a sustainable growth trajectory for the province's manufacturers will require intensely focused collaborative efforts by both government and business, to strongly support the production and manufacturing sectors, in order to marshal domestic resources for increasing investment in the real economy.

Manufacturing Indaba Western Cape will bring together government and business to unlock the potential and explore new partnerships and opportunities in the province's manufacturing sectors.

With a notable delegation from the Department of Trade and Industry (the dti) the conference will

introduce you to the latest incentive schemes, programs and opportunities that are relevant to manufacturers in the Western Cape.

And with successful manufacturing CEOs and executives presenting and taking part in interactive panel sessions, you'll get your burning questions answered, learn trade secrets of manufacturing success and find out what it takes to grow your operations to the next level.

Manufacturing Indaba is more than a conference. It's about hearing and being heard by the country's leading manufacturing policy-makers and players and forging a path together for inclusive growth.

With high profile speakers and manufacturing luminaries, including the Minister of Trade and Industry, the one thing you need not manufacture, is an excuse to attend.

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Family-owned and run FAW truck sales and service dealer open for business in Worcester. (From the left) Christelle Pretorius, Helena Pretorius, Jaco Pretorius, Elmiën Classen, Charl Classen, Chris Pretorius, Floris van Jaarsveldt, Eugene van der Berg, FAW vehicle manufacturers South Africa.

# FAW expands in the Western Cape

FAW Vehicle Manufacturers (Pty) Ltd. South Africa has concluded a singularly interesting agreement with a reputable, customer-focused family business group, JEC Marketing cc, by establishing a sales point for their FAW range of trucks in Worcester in the Western Cape.

Going forward, FAW Commercial Vehicles Worcester is now a full-

ly-fledged representative for both sales and service of the entire range of FAW vehicles from medium through to extra heavy vehicles, across the range of tipper, mixers, flatbeds and chassis cabs; of which the majority are manufactured locally in FAW SA's Coega plant.

This recent addition to FAW SA's geographical footprint is key in the company's strategy

for finding opportunities to become more and more accessible to potential customers, also to get closer to the various transport sectors' high volume zones so that FAW can keep their customers' trucks up and running with high quality, quick, service and maintenance turnaround time.

However, the company is adamant that only highly reputable

and respected partners are being considered in these collaborative business agreements. And this is exactly the case with FAW Commercial Vehicles Worcester.

The Pretorius family's service and parts business was started by dad, Chris Pretorius, way back in 1993 in the Free State and speedily gained an outstanding reputation in the region. Needing to relocate to an area closer to tertiary education institutions for the sake of the young Pretorius' they carefully researched where best to restart their business. They identified Worcester as a perfect location to re-establish a similar full-service centre operation.

"Starting off in a new location is not easy. You have to build the new business from scratch, offer the best work result, and then grow it from there through word of mouth."

"From our first Worcester premises we worked extremely hard to gain customers confidence and trust."

In 2011 JEC acquired their current premises in Worcester, which is exceptionally well equipped and spacious enough to handle even the biggest rig. On these premises JEC provides not only all service and maintenance needs, but also has its own wheel alignment and wheel balancing facility, a full brakes repair and servicing facility and nine full service bays. JEC is also an accredited and SABS certified body-building and trailer manufacturer.

Chris Pretorius says he and his family are not deterred by economic fluctuations and rather look for every opportunity to expand their business. That is why they had no hesitation in joining forces with FAW Vehicle Manufacturers (Pty) Ltd. South Africa when the opportunity presented itself.

"Today the many loyal JEC customers vary across the entire spectrum of transport operations – moving anything from packed goods, FMCG, raw materials, fruit, in construction, long haul and distribution," explains Chris Pretorius.

"I chose FAW as the brand for JEC to venture into new vehicle sales for the simple reason that they offered good value for money, were easy to service and repair, are strong and durable. I'd say they're as tough, if not tougher, than a number of other brands."

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4x2 3.5m <sup>3</sup>	4x2 6m <sup>3</sup>	4x2 6m <sup>3</sup>	6x4 10m <sup>3</sup>	8x4 15m <sup>3</sup>		6x4 6m <sup>3</sup>	8x4 8m <sup>3</sup>

All FAW vehicles are durable and tough, built locally in Coega to international standards. FAW tipper can handle the toughest of environments with ease - dust, stones and uneven terrain, challenging entry/exit slopes. Supporting FAW's uptime promise is a host of aftersales back-up services, and maintenance and parts supply through a wide dealer network.

FAW provides purpose-fit mixer trucks that can conquer the rigors of any building site. There are few mixers to match FAW strength and long-lasting working capability. FAW mixer models are easy to drive and offer exceptional durability because of a strong chassis frame, the robust materials and quality standards applied in the manufacture of the truck, the drivetrain and the mixer body.



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# Leading brick producer replaces fleet with Volvo construction equipment



USING innovative technologies to deliver affordable, sustainable and quality products to their customers is the hallmark of clay brick manufacturer Claytile, which is why the Babcock range of Volvo construction equipment represented much more than just another brick in the wall when it came to a fleet upgrade.

Claytile is a member of the Heavy Clay Products Group, the largest independent producer of clay building bricks

in the Western Cape, with a present production capacity of around eight million bricks per month and a commitment to producing consistently high quality bricks.

Over the last two and a half years, Claytile has replaced their existing fleet of machinery with five new Volvo machines, supplied by equipment distributors Babcock International Group. Babcock has been the exclusive distributor for Volvo

Construction Equipment in southern Africa since 2000.

Babcock's expert, local knowledge, reliable availability of parts, modern servicing facilities and commitment to after-sales service and support were some of the main reasons why Claytile turned to Babcock when machinery replacement became necessary.

Julian De La Hunt, Managing Director of Claytile, says that the company has had a

working relationship with Babcock for the past three years and has always been highly satisfied with the service received from Babcock.

"Our machinery runs 24 hours a day, seven days a week and 365 days of the year, so of particular importance to us was the after-sales support provided by Babcock and the high levels of uptime associated with the Volvo brand," says De La Hunt.

Considering Claytile's substantial production capacity, it is of utmost importance to the brick producer that any unnecessary downtime is avoided and that replacement components are readily available.

"Our ongoing relationship with Babcock together with the high levels of safety associated with Volvo machinery, and the preventative maintenance procedures offered by Babcock, sealed the deal," continues De La Hunt.

Babcock's preventa-

tive maintenance approach ensures the supply of spare parts and guarantees the possibility of repairing all breakdowns within optimum time, ensuring reliability and sustainability for their customers.

The five Volvo machines purchased by Claytile that are being used in their modern, automated plant are

the EC210 excavator to break stockpile for blending and other general work in the factory; the L90F and L120F wheel loaders for loading of raw material; the L150G wheel loader for distance running and loading of materials into the hopper; and the SDLG LG958 for general work.

The Volvo EC210 excavator was a natu-

ral choice for Claytile thanks to its industry-leading fuel economy and legendary Volvo cab, while the F-series wheel loaders were selected for their low fuel consumption, quick and easy maintenance and high resale value.

The recently improved L120F sports a new generation Volvo

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## ArcelorMittal South Africa ensures broad-based participation in company

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order for the company to maintain the required B-BBEE level.

The New Employee Empowerment Share Trust will allow employees and management to participate in the transaction and benefit from the success of the company. In order to ensure that the new employee share scheme is fair, inclusive and equitable, all employees will participate in the scheme. Employees will be issued units based on employment band and EE status. However, to ensure that the scheme impacts favourably on the company's B-BBEE score, African, Coloured and Indian (ACI) employees will participate at a minimum level of 60%. The current proposed split is 60.7% ACI and 39.3% non-ACI, which achieves above 25%+1 ownership on day one on a total basis.

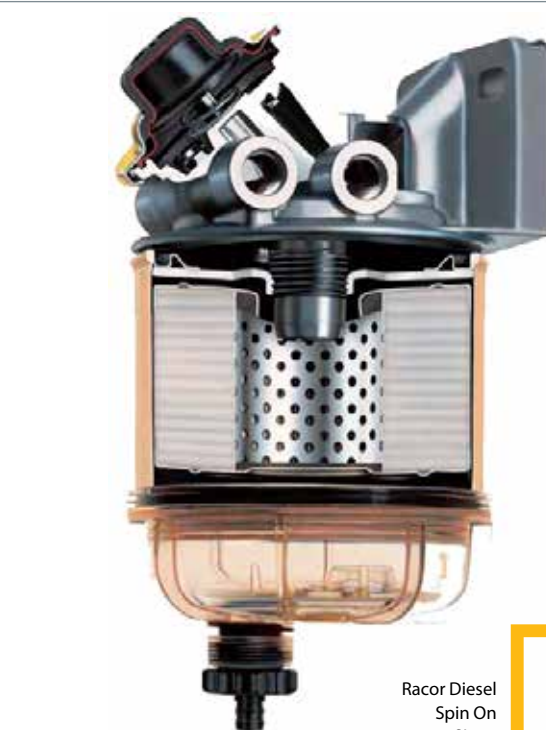
Furthermore, the ArcelorMittal South Africa board has the discretion to issue more units to ACI employees in order to give the company flexibility to increase its B-BBEE ownership if it drops below 25%+1.

"Likamva Resources is thrilled to be partnering with ArcelorMittal South Africa, with whom we share a joint vision of being a catalyst for the rapid industrialisation of South Africa," said Noluthando Gosa,

founding principal and chairperson of Likamva Resources. "The Likamva principals are committed to bringing this vision to fruition. We are well aware of the importance of a primary steel market in developing economies and we look for-

ward to deploying our skills towards this objective with the primary goal of creating employment and wealth creation for all South Africans. This asset, if effectively managed, is the perfect tool for this mammoth undertaking."

"This transaction is a further commitment by ArcelorMittal South Africa to transform the local steel industry while ensuring its long-term sustainability and remaining aligned to government's transformation imperatives," concludes De Klerk.



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Property in Bath in London.

# Timing your investment diversification in uncertain times

WITH the current uncertainty in South Africa and the recent collapse of the Rand, investors are justifiably confused as to whether it is too late to diversify their investments offshore. Horizon Capital International believes that given the obstacles that South Africa still has to face over the short- to medium-term, offshore exposure is essential to an investor's portfolio, investors just need to time the investment well.

Over the period from 1983 to 2016 the Rand dropped from R2 to around R23 to the Brit-

ish Pound. This translates to approximately 1,200% over 33 years or halving roughly every nine years. This is as a result of South Africa having a higher inflation rate than the UK, running a balance of payments deficit and at various stages of its history experiencing periods of political uncertainty. Were it to depreciate by half over the next nine years we would have a rate of 40 to the Pound, which would make any offshore endeavours very expensive if funded by Rands.

One cannot forecast currency movements, particularly in SA, as a lot depends on politics and SA's possible downgrading by the rating agencies. As predicted by us in an article published in Personal Finance in June the Rand is currently experiencing some strength as a result of the interest rate differential between SA and the rest of the world and particularly due to the purchase of SA Breweries by Anheuser-Busch, which is expected to go through around the 10th of October. There will be a huge inflow of foreign currency into SA, which may already have started via the forward markets for what is the biggest payout in South Africa's history. This external purchase of Rands from offshore is resulting in some temporary Rand strength, giving us a chance to diversify at more attractive rates.

Secondly as a result of Brexit the British Pound has weakened, even against the Rand, presenting a great opportunity to take advantage of these two short-term currency movements to buy Pounds for offshore investment.

As we have the possible rating downgrade of South Africa by the rating agencies in December this opportunity may be short-lived. In 2015, growth slowed to 1.3%. This was the lowest growth seen since the global financial crisis and below most emerging-market economies and commodity producers. With growth for 2016 expected at 0.2% and only a muted recovery for 2017, the looming downgrade seems to be a likely prospect. If South Africa is downgraded, investors will lose confidence in the

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Continued on P10



# Walk tough

Continued from P3

AVI's divisional breakdown showed Green Cross' revenue growing 1,1% to R340m – which is not surprising since eight new stores were opened in financial 2016. But operating profit slumped almost 40% to R27,3, reflecting weak demand in a competitive environment. The operating margin was trampled down to just 8% - well off last year's 13,4%.

The performance by Green Cross looked out of synch with AVI's other footwear

interests with Spitz increasing sales 4% to R1,47bn and posting a 10% drop in operating profit to R320. The margin was down 13,5% to 21,8%.

AVI said there had

been a management change at Green Cross in the fourth quarter of financial 2016. The company still appears upbeat about Green Cross' longer-term prospects, and

stressed it would continue to invest in retail stores.

The new financial year will see three new stores opened as well as the refurbishment of two existing stores.

AVI also believes there will be benefits from improved product ranges, and that Green Cross will be able to leverage improved factory capability at the Epping

manufacturing plant, but AVI concedes the Green Cross will be affected by the constrained consumer spending and continued cost pressure from weaker rand.

Perhaps what will be critical for Green Cross in the financial year ahead will be a more intense management focus on revitalising the wholesale function.

## FAW expands in the Western Cape

Continued from P6

To support the sales venture, new staff have been specially appointed for sales and admin, bringing the company's total staff complement to 30 people.

The whole Pretorius family is involved in the business. Son, Jaco Pretorius heads up the business, while son-in-law, Charl Classen, is the financial manager. Daughter and daughter-in-law are both involved in admin, warranties, inventory and logistics data control.

The company holds over R3m in parts with over 6,000 line items at hand.

A spirited family with strong bonds, the passion to excel and provide exceptional service, the Pretorius' are ready to take a serious step into new truck sales with FAW supporting them all the way with training and marketing support.

Eugene van der Berg, National Sales Manager at FAW SA says, "More important than anything else for us at FAW Vehicle Manufacturers South Africa was the honour of joining this Worcester business which has so resiliently built a reputation for quality work and for customer care, and which has conducted all its affairs according to the strong Pretorius family values, exactly in line with those of FAW."

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# Fluke's 1664 FC Installation tester with Fluke Connect

GROWING concern for public safety and the increasing complexity of today's fixed electrical installations in domestic, commercial and industrial premises places extra responsibility on electrical test engineers who are charged with verifying conformity to South Africa's Certificate of Compliance (COC) safety standards.

SA's Electrical contractors are well versed in the verification requirements of the COC, and that the audit should be carried out in the following sequence:

1. Visual inspection
  2. Testing of the following:
- Continuity of protective conductors;

- Insulation resistance
- Protection by separation of circuits
- Floor and wall resistance
- Automatic disconnection of supply
- Polarity
- Functional performance
- In addition to this the following tests are under consideration
- Electric strength test
- Voltage drop

The basic requirements for test equipment used in installation testing consists of general requirements for test equipment, specific requirements for combined

measuring equipment and the specific requirements for measuring/testing:

- Insulation resistance
- Loop impedance
- Resistance of the earth connection
- Resistance to earth
- RCD performance in TT and TN systems
- Phase sequence
- Insulation monitoring devices for IT systems

The Fluke 1660 Series Multifunction Installation Testers are measuring equipment which fully fulfils the requirements as described above, and the three different models in the series comply



with specific parts of this norm. They are specifically designed to carry out the tests specified, and all local standards and regulations in the safest and most efficient way.

Fluke, represented locally by Comtest, has announced the launch of the new Fluke 1660 Series Installation tester with Fluke Connect, which includes the new 1664 TM Installation Tester - the only installation tester that helps prevent damage to connected appliances during insulation tests, and also allows users to send test results wirelessly via smartphone directly from the field. They are lightweight, and feature a unique ergonomic 'curved' form that, when carried by the neck strap, makes operation in the field more comfortable.

**Work safer, protect the installation under test, share results**

The Fluke 1664 FC is the only installation tester that protects connected appliances from damage during insulation tests, and allows users to share test results wirelessly by smartphone with co-workers or customers.

## Insulation PreTest

The Fluke 1664 FC Installation Tester is also the only tester with patent pending "Insulation PreTest." If it detects that appliances are connected

to the system during test, it will provide a visual and audible warning and stop the insulation test, avoiding potentially serious/costly mistakes and eliminate accidental appliance damage.

**Fluke Connect, Share-Live calling and Fluke Cloud storage Share-Live video calls**

Users save time by eliminating data entry by wirelessly syncing measurements directly from the 1664 FC and share with a remote team using Fluke Connect. Having access to measurements simultaneously at the inspection site and the office allows faster decision making and real time collaboration between team members.

Cloud storage allows users to retrieve stored results whether in the office or out in the field, to make urgent decisions in real time. Data can also be imported into Fluke DMS to process and generate certificates.

The Fluke 1664 FC is part of a growing system of connected test Tools and equipment maintenance software.

Within your provider's wireless service area and subject to your plan's pricing and other terms.

Although Fluke Connect is available in South Africa, it is not available in all other African countries and some Fluke Connect features require a subscription subject to payment terms.

## Timing your investment diversification in uncertain times

Continued from P8

country, the prices of our assets will drop because of the lack of demand for our debt and our shares listed on the JSE, the Rand will weaken further, inflation will shoot up and the average South African will have to endure higher costs for goods as well as higher interest rates.

Horizon Capital International has focused on investing in residential property in Bath, United Kingdom for its clients since early 2015. Bath was chosen in view of its Roman history and architecture, excellent schools, two universities, its low crime rates, low property price volatility and steadily increasing growth, which is robustly ahead of the surrounding areas.

In addition, the British government is currently building a new electrified high-speed train line from Bristol via Bath to London Paddington which is already resulting in Londoners taking profits and buying in Bath. The new line will be completed in 2017 cutting travel time to under an hour, creating an opportunity for more Londoners to move out to what will be a far more affordable and pleasant living environment, now within an easy, convenient commute.

As far as Brexit is concerned, many countries operate outside of the European Union and are able to survive quite comfortably. While the UK business cycle will take a short-term knock as a result of the immediate impact of Brexit, the impact is likely to be short and temporary. Furthermore, for foreigners that are wanting exposure to the UK, certain bubble conditions in the London property aside, the recent depreciation of the Pound offers investors a fresh opportunity to expose themselves to the UK at a significant discount to what was the case 6 months ago.

The apartment buyer profile in Bath last year moved from 10% to 50% Londoners with a resulting commencement of price outperformance. The two universities have also recently announced that they intend increasing their combined student intake by 10,000 students which will result in more lecturers, professors and associated staff renting in Bath.

Horizon Capital International has established an office in Bath and sources, purchases, arranges finance and manages residential apartments in Bath for its High Net Worth clients.

## Leading brick producer replaces fleet with Volvo construction equipment

Continued from P7

HTE 200-transmission, providing smoother shifting and lower fuel consumption, as well as a spacious Care Cab with improved all-round visibility and safety. The SDLG LG958 is the ideal machine for all purpose work as it is robust, fuel efficient and easy to maintain and repair.

De La Hunt says that the fact that Volvo comes backed by a 175-year heritage and places a strong emphasis on safe, comfortable, productive machines that also minimise environmental impact fell perfectly in line with Claytile's ethos of being committed to environmentally

friendly initiatives. "We utilise waste water and implement energy efficient systems, coupled with limited wastage of end product in order to minimise our carbon footprint on the environment," he says.

Babcock has a track record of more than 60 years in the construction equipment market with a reputation for unparalleled levels of service and support and a customer focused approach, while around the globe Volvo Construction Equipment is the leading solution for reliable equipment that is backed by Volvo dealers with expert, local knowledge.

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# What the load ....? Leuze RSL 400 wins again



"FROM the amount of print and communication I'm seeing, it's a safe bet to say that SOLAS (Safety of Life at Sea) has the Maritime Logistics industry in a right froth, and rightly so considering the additional costs implied," says John Valentine, Director at Real Telematics. "In context however, it's also fair to say that the industry was warned several years ago that the legislation was coming."

"In essence what has been happening is that containers due for shipping all over the world can be loaded incorrectly, for example, loads estimated to be 10 tons could easily be double that or more. Then when loaded onto the ship these containers are stacked according to expected weight. The ship has a very particular layout, which takes into account volume, size and spread of load for optimum balance. Too many loads of a particular weight on one side or the middle of the ship can easily buckle the hull and even overturn the ship, resulting in massive financial losses to the shipping company, logistics partners and very possibly also in human life."

"Normally such incidents would be covered under maritime insurance, but with the advent of SOLAS insurers may very well refuse claims where accurate loading/weights cannot be verified. Currently

the onus of ensuring accurate weight tolerance is handled at the port. It's my opinion, however, that such weight considerations should be happening much earlier in the process, possibly right back to point of manufacture. The earlier weights are confirmed, the less likely there are to be costly deviations on arrival at port. The challenge of course lies in maintaining protocol throughout the production and eventual distribution process."

"Many facilities have onsite weigh bridges and various other types of scales within the typical operation. It is at this point of the process that we believe Real FMX can add some value to the integrity of load management. Real FMX on forklifts sends automatic reminders of when Load Testing is due, it can be calibrated to give fairly accurate readings via a pressure sensor to limit over load and excess loads, it sends live alerts, and can even immobilize the forklift if these parameters are breached. These same readings can also be used to verify productivity within the run hours by setting high/low weight calibration points and comparing against "Ignition On" time to determine approx run hours / fuel waste ratio etc."

"With that said, Real FMX is not a weigh bridge facility, but can give very

accurate guidelines. Built-in forklift weigh bridges have met with mixed success in the past, mostly for the very simple reason in that asking very robust machinery weighing several tons to do the delicate task of weighing encounters several obstacles. Firstly, by its sheer nature, a forklift is mobile and the constant rattling/vibration when started, and at low as well as high level impacts, erodes the calibration points. Meaning, that calibration has to be re-set on a very regular basis. Other issues are based on the height at which the weight is assessed, the fork angle etc. all making forklift weigh bridges a rather complicated measuring tool. Luckily Real FMX can also be re-set remotely without the costly onsite visits required by other products. The productivity that Real FMX records applies to both the driver and the machine separately so that both can be measured to ensure levels of compliance."

"So what this means is that if you use your forklift correctly, with the correct measurement tools, such as Real FMX for one, much of the load risk associated with SOLAS can be mitigated, long before your containers reach the dock," comments Valentine.

"Real FMX can really help to reduce the load on your shoulders."

THE Leuze RSL 400 safety laser scanner has been recognised by end-users and experts as an innovative product that has set new safety standards. The product was recently voted the winner in the "Safe Automation" category of the most important readers' choice award in the automation world — the GIT Award.

The Leuze RSL scanner succeeded in convincing both the readers of the magazines "GIT Sicherheit," "GIT Security" "messtec drives Automation" and the online community of the industry platform www.PRO-4-PRO.com that it was worthy of winning the GIT Security Award 2016.

This award follows its previous accolade from the publishing house "Huber Verlag für Neue Medien GmbH" when an independent jury comprising industry experts, professors and specialist journalists awarded the Leuze RSL 400 the title "Best



*The Leuze RSL 400 safety laser scanner has been recognised by end-users and experts as an innovative product that has set new safety standards.*

of industry prize 2016."

It is not often that users and experts agree with one another about new products, but the recent recognition of the Leuze RSL 400 safety laser scanner underscores that this high quality safety scanner met both the innovation criteria of the judges as well as the usability requirements of users in the field.

Significantly, the Leuze RSL 400 safety laser scanner has set a new standard in the discipline of safety sensor technology. With its two autonomous

protective functions, a scanning angle of 270° and an operating range of 8,25m, the device is not only a more powerful alternative to existing standalone systems but can even perform two tasks at the same time. This not only saves space but, in many cases, also makes a second device unnecessary.

In addition, its large scanning angle in combination with its large operating range enables reliable safeguarding, even at corners and edges. Its high resolution capability facilitates a high insensitivity to dust and

allows the safety scanner to operate reliably even under harsh ambient conditions.

In spite of its exceptional performance characteristics, the Leuze RSL 400 is simple to use. The ease with which the device can be mounted, aligned and operated is unmatched in this segment, and comes standard with integrated cable management. The detachable scanner unit allows simple device upgrading and easy replacement without electronic and mechanical realignment, readjustment and reconfiguration.

Countapulse Controls is the official southern African distributor for the full range of Leuze sensing solutions. The company has operated on the continent for more than 40 years and has in-depth applications knowledge. In addition, customer support is available through the Countapulse Controls' technical advisory service hotline 24/7.

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# FNB introduces App 5.0 with a range of firsts in Africa

FIRST National Bank (FNB) unveiled the FNB Banking App 5.0, the newest version of the App that has a range of digital firsts in Africa. FNB App 5.0 features solutions such as FNB Pay, Fingerprint ID, Secure Chat, Smart inContact, 1-touch Report Fraud, as well as the FNB Watch App.

Jacques Celliers, FNB CEO says the bank views the App as a gateway into the future of banking. "The App is attuned to solve for crucial customer needs such as more control of one's bank account, cost-saving, better security and the need to bank anywhere, anytime."

"The intuitive new features of App 5.0 are a clear demonstration of how we are prioritising customer needs. This platform also puts us in a much better position to continue capitalising

on the seamless convergence of banking and telecoms, to produce integrated solutions," he says.

The distinctive and pioneering feature of FNB App 5.0 is FNB Pay, a globally accepted contactless payment solution, which allows customers to purchase goods by simply tapping their smartphone on a contactless enabled point of sale terminal. FNB Pay enables customers to quickly and conveniently purchase goods below R200 without entering their card PIN. Customers have options on how they can securely perform transactions through FNB Pay.

Raj Makanjee, FNB Premium CEO says, "As of today, FNB customers with an NFC enabled Android device can download the latest version of the FNB App



**Raj Makanjee, FNB Premium CEO.**

and start making purchases at any contactless payment terminal. Once FNB App 5.0 has been downloaded, the customer automatically gets FNB Pay and can link it to any of their FNB cards."

"The timing is perfect for contactless technology in South Africa as local merchants are gradually increasing contactless infrastructure. This is one of the reasons why 100% of



**Jacques Celliers, CEO of FNB.**

the new or replacement cards we are now issuing are contactless cards across our Debit and Credit portfolios. Not only does the functionality make it effortless for customers to pay for goods and services, it helps merchants to process transactions far quicker, thus assisting in reducing queues," adds Makanjee.

With fraud being a global concern for clients that use digital

platforms, FNB App 5.0 brings industry-leading security features to enable customers to detect and report fraud. The industry first inContact solution has evolved to introduce Smart inContact, which notifies customers of transactions as low as one cent, with full control to report fraud with 1-touch of the Smart inContact notification to the 24/7 FNB Fraud line.

Smart inContact also replaces SMS OTPs as a secure way to approve, reject or report fraud for any Online Banking transactions. Logins from unknown or suspicious devices also trigger a Smart inContact notification for the customer to verify or reject the device. This is built off the existing intelligence of FNB's systems to notify customers of potentially risky transactions

or devices accessing their profiles, allowing them take control to approve or reject these transactions. Customers without FNB App 5.0 will continue to receive SMS notifications and OTPs until they download or update to the latest version of the app.

App users can now authenticate themselves through Fingerprint ID available to both Android and iPhone owners, which uses a fingerprint sensor to verify the user before giving access to the account profile.

FNB clients who qualify for premier and private banking services will also be able to use Secure Chat to enquire about services or send instructions to their private banking support team, all done through the App after securely logging in. Secure Chat gives customers 24/7

banking support without the risks of phishing or identity theft.

Another exciting revelation is the FNB Watch App, which extends key features of the FNB Banking App onto an Android or Apple smartwatch. To signify the launch of the Watch App, FNB customers get up to 40% discount when purchasing a smartwatch via the eBucks Online shop.

"All these features have enhanced the FNB Banking App both from a functionality and most importantly, security point of view. The growing active-user base and global accolades of the App attest to the compelling proposition of the platform. App 5.0 will go a long way towards improving customer experience, making banking easier, safer and convenient," concludes Makanjee.

## Less room at the inn

THE Cape Town hotel sector appears to have started a welcome uptick – especially at top end properties, which were looking woefully overtraded after the World Cup soccer in 2010.

Cape Town hosts some of the best known upmarket hotels in South Africa – including The One and Only, the Taj, the Table Bay, African Price (the old 15-on-Orange), the Cape Grace and the Mount Nelson. But the years following the World Cup soccer spectacle saw hotel struggling for the footfall needed to gener-

ate viable returns. Many hotels discounted room rates drastically, and the owners of R800m 15-on-Orange developments suffered the ignominy of being placed into liquidation after cash flows could not cover the development costs.

Things, thankfully, seem to have improved somewhat ... PWC's report into the African hotel sector noted that in the first quarter of 2016 the local hotel industry saw resurgence due to the devaluation of the Rand and the relaxation of certain of the visa

regulations introduced in late 2014.

This, PWC said, created a 15% year-on-year increase in visitor numbers for the period. In 2015 'stay nights' in Cape Town were down more than 4% through to July, but recovered over the latter part of the year and the decrease for the year as a whole was less than 1%. The report said that with foreign tourism now on the rise, stay unit nights were up more than 5% in the first quarter of 2016.

"The increase is said to be due to the rand

devaluation, noting occupancies over December 2015 and January 2016 at record highs."

PWC estimated that over the next five years, 54% of all the rooms expected to be added in South Africa will be in Cape Town.

Stayeasy Cape Town, ibis Communicare Cape Town, Radisson Blu Hotel and Residences Cape Town, Radisson Blu Blaauwberg Cape Town, Sunsquare Cape Town, Radisson Red V&A Waterfront Cape Town, and The Silo are expected to open in Cape Town in the next five years – collectively adding more than 1,500 rooms.

PWC argued the interest in new hotel developments in Cape Town reflected its historical strong growth rates and its appeal as a tourist destination.

While financial information is not disclosed by all hotels, CBN

believes there are probably reasonable conclusions to be drawn from the recent results of listed leisure companies like Sun International, Tsogo Sun and Hospitality Property Fund.

Sun International – aside from an array of gaming interests – is the owner of the Table Bay Hotel in the Victoria & Alfred Waterfront. Sun CEO Graeme Stephens recently reported that The Table Bay continued to perform well – showing sprightly revenue growth of 23% to R310m with 'international room nights' up an encouraging 14%.

Stephens indicated that overall occupancies were up 11% to 74% and that the average room rate was up 13%. The Table Bay's EBITDA (earnings before interest, tax, depreciation and amortisation) increased by 54% to R66m and the all-important EBITDA

margin widened by 4,2% points to 21,3%.

Interestingly Sun noted that The Table Bay Hotel lease expires in May 2022, and the company had consequently commenced discussions to "determine the best options for the property, including the possibility of early renewal."

Another sign that the Cape Town hotel market is improving came last month when gaming giant Tsogo Sun – which has signalled its intention to spin off its hotel and leisure properties – bought control of Hospitality Property Fund.

Hospitality owns and operates 10 well established mid-scale hotel properties – including Cape-based venues like the Arabella Hotel and Spa, Victoria Junction, the Westin in Central Cape Town, the Raddison Blu in Granger Bay and the Inn on the Square on

Greenmarket Square.

Recently Hospitality reported that its room occupancy had improved from 65,7% to 69,1% from end June 2015 to end June 2016. More importantly average room revenue increased from R886 to R1,007.

The company reported strong results in its Cape Town node. Hospitality acquired three additional units at the Radisson Blu – increasing its ownership of the upmarket venue to 55,8% of the rental pool.

Hospitality was also upbeat about the Westin Hotel close to the Cape Town International Conference Centre. The company said the Westin is a sweet spot as regards attracting foreign business and leisure travellers to the Western Cape. Hospitality said revenue continued to grow at the Westin with strong rental income growth during the year to end June.

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## Stop lightning from destroying your borehole pump

THE consequences of a blown borehole pump are catastrophic and far-reaching. Added to the initial financial outlay of up to R60,000 to replace a pump are the effects of not being able to water crops and livestock.

"A scenario like this can be easily avoided through the purchasing and correct installation of quality surge arresters," states Paul van As, Low Voltage Divisional Manager at Surgetek.

The costs of a typical surge protection installation for a borehole pump

is about R3,000.

Borehole pumps that do not have surge protection and proper earthing are often destroyed by induced lightning travelling through the earth.

"The energy from a bolt of lightning that has struck the ground spreads into it and travels through it, in concentric circles in the form of magnetic force," explains van As.

Boreholes are often sleeved with steel to maintain well integrity and prevent fall of ground. These steel sleeves act

like an earth rod.

"Once the energy from a lightning strike makes contact with the sleeve, the energy runs down the pump power cable to the pump unit," continues van As.

Research indicates this energy measures hundreds of thousands of volts. Pump motors operate on voltages between 230V and 400V and their circuit boards operate on 5V. When struck by lightning these stand no chance against the level of energy in the induced lightning.

Van As advises that

surge arresters should be installed as close to a borehole as possible. Arresters should be installed on either side of the power transformer in the surface junction box as well as the pump controller.

"In addition, it is important that the electrical earth, the surge arrester earthing and the borehole sleeve (if metallic) are all interconnected to ensure potential equalisation. Surge arresters in any application should be checked on regular basis – particularly after thunderstorms.



## John Thompson supplies more biogas boilers to local industries

JOHN Thompson's Package Boilers business unit recently designed and supplied three biogas-fired boilers for the winery and dairy industries.

Distell now operate a 2t/h Redipac boiler, supplied via Veolia Water Technologies, at their Adam Tas winery in Stellenbosch and a 3,2t/h Enviropac boiler, with a steam accumulator, for their distillery at Wellington. This particular boiler generates steam at a pressure of 20 bar for

discharge directly into the accumulator vessel. Steam is drawn from the accumulator at a constant pressure of 10 bar for the whiskey distilling process, as and when required. Biogas is a by-product of this process.

In addition, Woodlands Dairy now operate a 4t/h Redipac boiler as part of the expansion of their biogas plant in Humansdorp in the Eastern Cape.

Biogas is produced from the treatment of effluent using anaerobic

digesters and can offset 10% to 25% of fuel requirements in the production of steam.

Several John Thompson biogas-fired boilers have been supplied to the local market in the past and these have reduced customers' carbon emissions and reliance on fossil fuels.

John Thompson is a division of ACTOM (Pty) Ltd, the largest manufacturer, solution provider, repairer and distributor of electro-mechanical equipment in Africa.

## Polyoak green machines

POLYOAK Packaging celebrated 'Clean-up and Recycle SA Week' on Saturday 17<sup>th</sup> September 2016 by collecting stray litter found in some of the local communities in which it operates, and at nearby beaches.

More than five hundred Polyoak employees and their families volunteered across Cape Town, Johannesburg, Limpopo, Durban, East London, Port Elizabeth and George. Together these 'green machines' succeeded in gathering up almost two tons of litter. That's weight equivalent to an adult black rhinoceros – another thing that's



*Polyoak's 'Green Machines' get in the spirit for International Coastal Clean-up Day with the help of their families.*

too valuable to send to landfill.

As an ongoing initiative Polyoak is working on an internal training programme to

raise awareness and educate its employees about the importance of recycling.

Rowan le Roux, Sustainability Manager

for Polyoak concludes, "Recycling is everyone's responsibility and we are pleased to be able to contribute at a local level."

## Barloworld launches Cat thin film solar power solutions



*Installation of a 300kW Cat Thin Film PV solar solution by Barloworld Power for sister company Barloworld Equipment in Isando.*

BARLOWORLD announced the launch of a new, high performance photovoltaic (PV) solar energy solution targeted at southern Africa's commercial and industrial (C&I) power segment. The Cat Thin Film PV solar energy system features Cat-branded PV module technology, manufactured by First Solar, that can deliver up to 4.3% more energy in South Africa than conventional crystalline silicon panels.

The solution is the result of a strategic alliance between Caterpillar and First Solar, launched in 2015. First Solar, which has over 13GW of global experience, manufactures the solar panels and associated components, which are Cat branded, and sold and supported through Caterpillar's dealer network alongside its other power

generation offerings.

"This solution offers our customers the opportunity to invest in reliable, affordable, high performance PV modules backed by multiple gigawatts of First Solar's expertise, combined with the familiarity and trust that comes with the Cat brand," said Grant Kirchmann, business development manager – Solar at Barloworld Power.

"The technology is best suited to installation on rooftops or carports for businesses wishing to reduce their energy costs and improve their 'green' credentials. It is not only cost efficient and environmentally-friendly, but can also be fully integrated with other Cat power technologies renowned for their superior engineering and reliability."

The PV systems are

available exclusively through Barloworld Power – Cat power systems dealer for southern Africa – for the C&I segment in southern Africa with sizes ranging from 25kW to 5MW. Barloworld Power provides installation, commissioning and after sales support for all deployed systems. The company is currently installing a 300kW test site at sister company Barloworld Equipment's Isando campus, which is expected to save about R500,000 per year on energy costs.

"From our own experience, we've seen that thin film is the right technology for the C&I segment in southern Africa. As we focus our efforts on utility-scale solar in the country, we are confident that Barloworld Power, with its extensive technical capabilities and sales and support infrastructure, is the right company to drive continued growth for thin film in the C&I segment," said John Eccles, First Solar's director for Business Development in Africa.

First Solar, which established a presence in South Africa in 2012, will continue to independently pursue utility-scale opportunities of 5MW and above in southern Africa.

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## SA's platinum industry unlikely to meet demand for supply in the medium-term

SA's platinum mining industry is unlikely to meet supply in the medium-term due to a lack of investment in the sector, according to an analysis on the platinum industry released by PwC.

Andries Rossouw, PwC Partner in Assurance, says, "The lack of investment in the recent past in SA's platinum mining industry due to the low price environment and industrial action from 2012 to 2014, will continue to put pressure on the existing supply deficit."

Adds Rossouw, "SA's platinum miners had to cut cost and reduce capital expenditure in order to survive in the hope that normality will return to the platinum sector."

Platinum miners' struggles are not dissimilar to those flowing throughout the South African mining industry – cost pressures, substantial declines in commodity prices, and low or negative profit margins.

### Supply and demand

South Africa provides more than 70% of primary mined platinum supply and more than 55% of total supply, including recycling. South African supply conditions therefore has a significant impact on global supply and should therefore impact the platinum price. The demand for platinum emanates largely from the autocatalysts (40%), jewellery (34%) and general industrial demand.

While recycling pro-

vides a meaningful contribution to supply, it is not sufficient to cater for the growth in the automotive demand. Current mining supply delivers 1.1oz of palladium for every 1,000z of platinum mined, while automotive demand is at a ratio of 2,3 to 1. Ten years ago this ratio was at 1,3 to 1 indicating significant substitution had taken place. This substitution will in the medium-term result in a lower percentage of platinum recovered from total recycling.

According to the PwC analysis, the global drive to reduce CO<sub>2</sub> emissions in the automotive industry will support the demand for platinum group metals on the one hand, but it could also reduce it on the other. While hydrogen fuel cell cars make use of platinum group metals, electric cars will not require autocatalysts. It will be interesting to see how the dynamic for new technology plays out regarding the automotive demand for platinum.

Despite substantial investment in platinum mines in the last 15 years, supply has been on a downward trend since 2006. The levels of investment also started decreasing as far back in 2008 in contrast to capital expenditure by the overall global mining industry, which only started decreasing in 2013.

The significant decrease in production since 2012 was largely due to various industrial actions that culminated in a five-

month strike in 2014. A number of smaller platinum producers have also been put on care and maintenance since the 2008 crash, which has negatively impacted the overall supply. Consequently, SA mines have not been able to bring production back up to the pre-2012 levels.

As a result of low prices and the increased cost base, platinum companies have been struggling with low margins. A number of companies had no option but to reconsider marginal mines that has resulted in closures or early retirements of shafts. In addition, mining and development projects were put on care and maintenance.

The PwC analysis provides an estimated production life of the existing South African platinum mining industry for the next 25 years. This projection is based on company annual reports, technical reports and estimated production profiles.

Despite anticipated moderate increases in supply, the existing shafts will barely maintain production at current levels up to 2021, according to the analysis. The possibility of any significant industrial action or mine failure or safety shutdown is not included in the projection. In addition, there also challenges regarding liquidity concerns and funding.

When taking new developments and their forecast ramp up of production into account, then supply



will grow by a mere effective 3% per year to 2021, bringing it back to 2006 levels and still below current demand. Unfortunately, if new developments perform in line with recent new developments, then this growth forecast is probably optimistic.

It is questionable as to how long above-ground stocks can supply into this shortfall. While recycling will continue to assist in reducing the supply shortfall, it will not be able to supply into any real demand growth. If supply shortfalls continue, then prices are likely to go up to incentivise new production. The question arises as to where supply will come from in the short-to medium-term?

According to the analysis the most likely source of new supply in the short to medium-term will be from existing mines where unprofitable supply was previously cut back. However, platinum mines would have to feel assured that the price increase is sustainable to invest in human resources and equipment to mine areas previously suspended. Rossouw adds, "It is also questionable whether

platinum mining companies will be able to attract a trained workforce to increase production in the short-term."

Medium-term supply increases could come from mines put on care and maintenance or developments delayed. The timing and investment to bring these back into production is likely to exacerbate the supply shortfall. In the long-term there are still a number of good platinum resources to be mined in South Africa and Zimbabwe.

Rossouw says, "We are optimistic that platinum prices should recover in the medium-term from their current unsustainable low and price levels."

"The ability of platinum mining companies to increase production once prices rise in a disciplined way and without significantly impacting their unit cost, will determine the fate of South Africa's platinum industry in the next 10 years. Doing this in a sustainable way and maintaining their social licence to operate in a challenging socio-economic environment is likely to be the biggest requirement for long-term success," says Rossouw.

## Heavy investment into Weir Heavy Bay Foundry

WEIR Group's investment into Weir Heavy Bay Foundry (HBF) continues at pace, positioning the operation as a best cost producer of high quality castings.

The recent commissioning of an advanced secondary sand plant at Weir HBF will allow the Port Elizabeth foundry to reduce manufacturing costs, further enhance the quality of its castings and mitigate the impacts of the operation on the environment.

Grant Ramsden, operations director at Weir Minerals Africa, says the new sand plant deploys magnetic separation technology to extract chromite sand added to furan sand during the moulding process. The plant also scrubs the resin from the sand by a process of

attrition. The recovered furan sand can now be reused, resulting in significant savings in sand disposal costs, resin costs and the purchasing of new sand.

"In addition, Weir HBF will be able to improve the efficiencies of its casting processes by reducing 'sand burn-on' caused by excess chromite sand in the furan sand," Ramsden says.

The secondary sand plant incorporates German proprietary chromite separation technology, and state-of-the-art programmable logic controllers. In line with lean manufacturing principles, the plant only runs when there is a demand for sand. It was installed and commissioned using Weir engineering expertise.

Weir HBF has undergone a series of



Since the 2013 acquisition, Weir HBF is now ISO9001, OHSAS18001 and ISO14000 accredited.

upgrades since it was acquired in 2013 through the introduction of "Weir Production Systems" and "group best practice." These are processes that have been entrenched at Weir's flagship local foundry in Isando, Gauteng. These

initiatives are reflected by the sites' ISO 9001, OHSAS 18001 and ISO 14001 accreditation.

Other recent milestones at the foundry include a sizeable investment into a three-axis computer-numerical controlled milling machine for accurate cutting of polystyrene patterns for once-off castings. This technology further allows for rapid prototyping required in new product development and reduces time to market of new product introductions. A recent new pump product was brought to market in nine weeks from solid model design to a working pump.

In addition, the engineering department has been equipped with state-of-the-art software that accurately simulates casting methods,

enabling yields of up to 76% at the operation.

This is complemented by two seven axis, three-dimensional scanning probes with accuracies of 0,001 millimetres that have replaced outdated templates used for profiling castings.

Quality at the operation is complemented by employing new technologies in the metallurgical laboratory, including a new spectrometer that is used to inspect the constituents of furnace metal and the sand particle analyser for assessing the quality of sand used in castings.

However, a lion's share of the overall investment has gone into improving safety and productivity of workers at the operation. A

Continued on P16



## City pleased with Atlantis Investment Incentive Scheme results

CAPE Town Mayor Patricia De Lille announced that she received encouraging feedback about the city's three-year-old Atlantis incentive scheme. This year the city has awarded 530 non-financial incentives and a total of R15m in financial incentives, bringing the total uptake of non-financial incentives to 1,039 and over R40m worth of financial incentives since 2013.

The Atlantis Investment Incentive Scheme was created to redress some of the social and economic challenges in Atlantis.

"We saw the potential of Atlantis in terms of having a large labour pool with great land values, strategically located on transport networks," said the mayor.

The non-financial incentives include support such as fast-tracking land use and building plan applications.

"It includes providing biodiversity offsets to ensure that we remain focused on taking care of the natural environment and managing natural resources more efficiently, together with businesses," continues De Lille.

Financial incentives include waiving land and building plan application fees and development facilitation fees.

"We also write off service debt when businesses meet employment

targets, enabling job creation through direct investments."

The uptake of the electricity tariff subsidy in Atlantis remains the most significant incentive, supporting business retention with the city claiming that 1,450 job opportunities have been retained, because of this particular incentive.

The Atlantis investment facilitation office is a dedicated resource that specifically services prospective and current investors in the area.

The incentives have contributed to an increased interest in Atlantis as a potential investment destination. Companies that have established operations in Atlantis during this year include a wind turbine components supplier, a shutter manufacturing plant, two transport companies, an aluminium casting factory, a hotel furniture manufacturing factory, and a PVC and door manufacturing plant.

"We are patiently waiting for the long-awaited approval from the Department of Trade and Investment for Atlantis to be granted the status of a Special Economic Zone, which will allow for the supplementation of the local incentives on offer with a range of national incentives and thus bring in even more investment," concludes the mayor.

## Sea change at Ascendis

Continued from P5

Aside from the two production facilities, Afrikelp also operates a Cape Town facility where testing, blending, packaging and distribution is done.

The brand Afrikelp LG-1 is a liquid seaweed concentrate extracted from the freshly harvested South African giant brown seaweed *Ecklonia maxima*. The naturally occurring biostimulants – predominantly the plant hormone auxin – are present in a special ratio of high auxin and low cytokinin levels that stimulate the growth of crops.

Ascendis paid R175m for Afrikelp. The settlement will be partly in cash and partly in shares as well as a deferred payment (to ensure profit warranties are met.)

Ascendis reckoned Afrikelp would be earnings accretive immediately, and pro-

vided a strong platform to grow and expand its agricultural business both domestically and internationally.

While Ascendis has a lot on its plate in terms of bedding down international and local acquisitions, CEO Karsten Wellner stressed the company still had R600m available for making new acquisitions. This, he said, meant Ascendis could target businesses that could generate another R100m in profit after tax.

Ascendis has targeted mainly profitable companies, and shies away from buying into turnaround opportunities or fledgling start-up ventures. Wellner says the company was searching and negotiating for bolt-on deals in all divisions.

"We will focus on businesses / brands with existing exports or export potential of brands."

# Who SEZ it'll work?

THE South African government has bet much of its economic growth on its Special Economic Zones (SEZs.) These precincts have had varying levels of success globally, offering lessons to South African policy makers. China's SEZs have largely been a success and is responsible for ±10% of its exponential growth, whereas India's SEZs are more than half empty and seen as havens for tax dodgers. So what can we learn?

Let's look at what SEZs are and why government mentions them in the National Development Plan (NDP), the New Growth Plan and the nine-point plan. SEZs are business hubs that operate within a distinct sector outside the country's normal tax and trade tariff rates. With world-class industrial infrastructure they should be centres of excellence. Industrial Development Zones

(IDZs) are SEZs with a port (or airport.)

To incentivise companies to set up shop in them, government offers a 15% corporate tax rate – instead of the national 28% – as well as building, greenfield and employment tax incentives with duty-free zones, coupled with superior infrastructure and red-tape support from the management structures of the zones.

So, what could go wrong?

Are SEZs even relevant in South Africa? China is a heavily controlled, centralised economy that can't impose blanket change to its policies without jeopardising its communist ethos. Its SEZs offer an open, less regulated market, making it easy for companies to operate in an otherwise tricky business landscape. India and South Africa can negotiate trade agreements and set tax policies with less fuss – and this is one reason for Indian

SEZs' failure.

India approved hundreds of SEZs, many of which never broke ground. There was little structure to who could invest or manage them – they sold much of the land to private developers, who in turn sold space to tech / IT companies (not generating much foreign investment and very few jobs.) It negotiated free-trade agreements with many of its export markets and made it more profitable to manufacture and export goods outside the SEZs.

So should DTI deregulate and cut red tape across the board, rather than offering preferential treatment to manufacturers able to (re)locate into these centres?

It's been a tough time for local manufacturers since 2008. Offering extraordinary tax breaks to the few could see many of these established South African companies close.

It is imperative that they aren't abandoned in the rush to attract foreign investment.

Another unintended consequence of SEZs that has negated the tax breaks is that these incentives break World Trade Organisation's rules that bar financial contributions by governments. India has had 33 countervailing duty measures slapped against them, second only to China's 42. There is no such regulation on infrastructural support though, which can significantly cut production costs, giving investors a global advantage.

South Africa has its own challenges. Our IDZs favour coastal areas (around ports) many of which are already big employers. They haven't stimulated growth and jobs in poorer areas inland, so the SEZ policy has been revised to include sector specific SEZs – less dependent on export infrastructure.

These smaller zones seek to change the country's export basket through the beneficiation of primary commodities – or "let's sell iron instead of iron-ore and orange juice instead of oranges."

The most successful SEZs are in and near Johannesburg, Durban and Cape Town, as more remote areas battle to attract foreign investors. What would an investor from London do in rural Limpopo? Where would he send his children to school? What would he and his family do over the weekend? Where would he find skilled labour? Until we can answer these questions we need to expect mixed results from SEZs.

Atlantis was built in the 1970s to provide jobs for coloured workers away from Cape Town. 50 companies were incentivised to set up in the area and it prospered until the incentives dried up.

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## 600SA adds Oil&Steel aerial platforms to its brands



EIE will be the official distributor of Oil&Steel aerial platforms for overhead work in South Africa

IN an important development for the industrial equipment sector, 600SA, a division of Eqstra Industrial Equipment ("EIE"), will be the official distributor of Oil&Steel aerial platforms for overhead work in South Africa as from 1 October 2016. The distributorship will expand 600SA's suite of brands for working at height.

Targeting predominantly the municipality and electricity sectors throughout South Africa, 600SA will supply the full range of articulated and telescopic cherry pickers with reaches of 12m to 62m being available.

An international company established in Italy in 1995, Oil&Steel have been present in South Africa for the past few

years, but have already supplied well over a 100 units into various councils. This success is due to the quality of the product, providing a lightweight machine with a sturdy, robust design and which is easy to maintain.

600SA will be launching the range to all the major councils, seeing considerable potential from the EThekweni, Tshwane, Ekurhuleni, City of Johannesburg and Cape Town metropolitan municipalities.

In line with its commitment to forming partnerships for life with its client, 600SA will fully support its client base over the complete product lifecycle, including maintenance contracts, operator and maintenance, staff training and spares and aftermarket support.

## AECOM powers up to meet South Africa's energy challenges

EFFECTIVE and reliable electrical energy delivery faces a number of significant challenges in South Africa. A latest trend is a shift away from the established one-utility provider to a mixed generation populated by utilities, IPPs and PPP service providers.

"We share the vision and passion of rapidly increasing the access to electricity for all the citizens of Africa. We are convinced that the new dawn for Africa has arrived, and we intend deploying our considerable talent to support the growth in the utility sector in Africa to the benefit of all African peoples," Nico Kruger, Business Line Leader Energy – Africa, Resources and Industry at AECOM comments.

The bulk of South Africa's power is produced by Eskom. With an installed capacity of some 42,000MW and a peak demand that at times threatened to exceed 33,000MW, the power utility was left with a theoretical reserve margin of 9,000MW.

It is commonly accepted practice to have at least 15% spinning reserve available, hence applying 15% to 33,000MW translates to ~38,000MW. "On the face of it, that seems adequate. However, the reality is that the actual Energy Availability Factor



Effective and reliable electrical energy delivery faces significant challenges in South Africa.

(EAF) was trending below 74%, meaning that only 31,000MW was available on average. That places South Africa in a very precarious situation," Kruger cautions.

He adds that the challenges facing Eskom are diverse, ranging from poor-quality coal to inadequate and irregular supply of coal, maintenance in arrears, constraints on capital expenditure, and loss of skills in all the key disciplines of engineering, maintenance and operations.

"The addition of Medupi and Kusile (combined about 9,000MW) will not happen at once, and can at best be phased to include between 800MW and 1,600MW a year. The addition of this load will be welcome, but if demand

in growth is factored in, and the EAF does not improve substantially, the addition of these two large power plants will not significantly take us from the ever-present edge of load-shedding," Kruger stresses.

Further, if one considers the emissions emitted by the Eskom fleet versus World Bank requirements, then significant capital investment is required to ensure compliance. "Given the present economic circumstances and debt downgrades, raising this capital will be challenging," Kruger points out.

South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has been hugely successful, and has achieved much

international acclaim. However, the utilisation factor on renewable energy is low due to the inherent problem of sunshine and strong wind not being available 24/7.

"South Africa needs additional sources of power generation," Kruger argues. Hence the major focus at present on the Department of Energy's Independent Power Producer (IPP) programme for coal and gas.

"Some 2,500MW of coal and 3,500MW of gas generated power is envisaged, and due to the nature and size of the plants, a distributed base is likely to ensure greater continuity of supply. It is of vital importance that these two programmes are launched successfully and grow from the present target to

support Eskom to meet the power requirements of the future," Kruger points out.

"AECOM has a unique offering to provide. We address complex challenges. Governments and organisations rely on us to help them solve the complex challenges critical to their missions and mandates."

"We use our connected expertise — clients face tough challenges, and we work to understand and solve them better than anyone else. We match the complexity of these challenges with the diversity of our expertise, spanning all phases of the development life cycle. This experience delivers innovative solutions that transform communities and improve lives," Kruger concludes.

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## Heavy investment into Weir Heavy Bay Foundry

Continued from P14

sound example of this is the seven new fettling booths that have all been equipped with dust extraction systems. "Equipped with state-of-the-art equipment and its strategic location close to the deep water Port of Ngqura, there is no reason why this operation will not be able to contribute to Weir Minerals Africa seizing a larger share of the niche one ton to 17t castings market," Ramsden says.

Testament to Weir HBF's already high standing in the Group's global foundry fleet is the important decision to allocate the casting of some of the wear components for the very popular Trio range of comminution equipment to the Eastern Cape.



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# Solutions for the food and beverage industry

ABB, a global player in power and automation technologies, is increasingly working with customers across the food and beverage industry in South Africa and southern Africa that want the best sustainable solutions for present market conditions. The company is providing solutions to industries such as dairy, meat, chicken, beverage, bakery and confectionery, as well as ingredient

processing industries like sugar, grain, starch and edible oils.

In today's competitive environment customers are looking for efficiency across their entire value chain. To help customers increase efficiency, ABB is working with distributors, machine builders and complete line builders. ABB also works directly with food and beverage manufacturers from local independent

manufacturers to large global food and beverage companies. The present trend is for food and beverage customers to closely examine their asset intensity and total cost of ownership across their value chain. ABB is assisting food and beverage companies to extract the most from their assets and reduce total cost of ownership.

Operational costs can be 75% of a typical

company's cost structure. Robotics solutions, for instance, improve cycle time, quality and consistency and reduce cost by decreasing scrap and rework. Numerous customers have replaced high-speed, repetitive manual processes in confined spaces with ABB's Flexpicker robots and improved packaging efficiency by 50%. Customer demand has increased too for ABB's MES

(manufacturing execution system) to improve food traceability, process and equipment efficiency.

Rocketing electricity costs means improvements in energy efficiency go straight to increasing the bottom line. Industry consumes about 72% of global electricity. About 70% of this electricity is used to power electric motors. In a sugar factory, for example, ABB's variable speed

drives helped a company sell close to US\$1m of excess energy back to the grid. An ABB supplied motors and drives package saved another food company 50% of its meat smoking chamber fan energy costs.

Of increasing interest to food and beverage manufacturers is renewable energy through microgrids. In June 2016, ABB commissioned an integrated solar-diesel

microgrid installation at its 96,000m<sup>2</sup> Longmeadow facility in Johannesburg, South Africa. This fully grid-connected and off-grid solution ensures seamless changeover of power during any planned or unplanned power outages on the main grid supply. Therefore, no interruption of power is experienced keeping vital processes operating smoothly.

Food and beverage manufacturers are also challenged by rising costs of water, water shortages and reduced water quality. ABB's high efficiency and reliable solutions improve operational water efficiency, supply and energy use and reduce total cost of ownership. ABB supplies integrated water management systems, water leakage management systems, measurement and analytics and pump efficiency monitoring.

Downtime must be avoided at all costs in this market. Reliable power and continuous operations depends on knowing the importance, condition, history and risk of failure for every piece of MV equipment, transformers and low voltage power products. ABB's "MySiteCondition" service analyses and identifies ways to reduce and mitigate plant downtime risks. This enables a reliability centered maintenance (RCM) approach, which can reduce unexpected outages by 93%. Intelligent power upgrades and modernization is completed section by section with smaller footprints that provide eco-friendly, sustainable and energy efficient solutions. Food safety issues are increasingly important. The average cost of a single food safety recall is US\$10m–US\$30m – not including the cost to the company's reputation. ABB's solutions, from individual products to enterprise control, improve food safety and traceability. ABB's technology addresses food and beverage industry challenges where uncompromised food safety and asset intensity are critical. For example, in the area of food safety, ABB's global reach and hygienic design has helped customers standardize on ABB wash-down bearings.

Overall, food and beverage makers today must manage many complexities in parallel: uncompromising safety, hygiene and traceability; continuous, reliable operations in extreme temperatures and corrosive environments; and increasingly shorter product cycles with greater variation. ABB can help customers build the flexible, cost-effective production systems needed to manage their risks and gain the most from today's trends.



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## Engen joins forces with SAVTEC to give first engines a second life



From left to right: Paul Leask Engen Lubricants National Sales Manager with Rudi Hohls from Pietermaritzburg who came fourth, runner up Johann Rust from Kuilsrivier, Zaakier Jacobs from Engen. In first place Torsten Löwe from Pretoria, Francois van Rooyen from Brackenfell in third place with brothers Ruben and Jaco Gouws from Klerksdorp in fifth place with Les Maker from SAVTEC.

ENGEn's long heritage within the Agricultural sector is built upon a tradition of quality that has seen the company consistently recognised as a preferred fuels and lubricants brand for farmers in South Africa. Combining this decades long association with its drive to develop the technical skills of the country's youth, Engen partnered with the South African Federation of Vintage Tractor and Engine Clubs (SAVTEC), for the Engen Engine Restoration Challenge 2016. The winners of the event were announced on Saturday, September 24th marking Heritage Day.

The winners were announced at the Bloemfontein Family Tractor and Food Festival at the Ferreira Museum, Kwaggafontein, Bloemfontein.

In the junior class for scholars, first place and a R20,000 prize went to Lielze Gouws from Klerksdorp. Lielze recently competed in the Para-Olympics in Rio running the Class T37 100m and 400m, making the finals of both events. Gerick Muller from Mossel Bay was second and Rudolf Gouws from Klerksdorp third. They pocketed R15,000 and R10,000 respectively.

In the senior class, Torsten Löwe from Pretoria walked away with the R50,000 first prize, followed by Johann Rust from Kuilsrivier (R20k) and Francois van Rooyen from Brackenfell (R15k.)

"We have been very excited to be involved in this initiative," says Paul Leask, Engen Lubricants National Sales Manager.

"Engen's association with vintage tractors and our support for youth skills development makes it a natural fit for us."

"Engen, along with SAVTEC have embraced this heritage project and in doing so,

have discovered that – beyond the mechanical aspects – the challenge has brought people together, assisted in building relationships and provided a reminder that hope and new life happen when love and care come together," adds Leask.

While all entrants received a fantastic hamper of Engen products, the top two regional entries in the Senior and Junior categories were eligible to go on to the finals, which were judged at the Central Free State Club.

The fact that these events have proven successful in drawing large crowds and significant interest provided the impetus in 2014 for SAVTEC to approach Engen with a request to sponsor a national competition to encourage veterans and newcomers to become involved in the restoration of old engines.

Key to the spirit of the competition is the highlighting of the development of technology via the restoration of vintage machinery and the transfer of knowledge to the youth, with youth skills development essential to the future sustainability of SAVTEC and the country at large.

Engen agreed to put up R250,000 in prizes and to assist with the marketing of the competition which was launched at Agri Megaweek in September 2015.

Christo Pieterse, Chairman of SAVTEC's Central Free State Club believes that the competition has been hugely successful.

"The low cost of approximately R2,500 to buy an old engine and R3,000 to restore it, has made the competition very attractive, commanding huge interest, with 27 seniors and 14 juniors competing," he says.

"Entrants have come mainly from SAVTEC's member clubs along with Agricultural and

Technical schools, Technical Training Colleges and many from the broader community."

All competitors were required to complete a workbook with pictures and documentation of their processes, along with their engines which were exhibited and judged on a regional level in the semi-finals.

Pieterse was thrilled with the standard of entries, as well as the impact that the competition had on a human level. He recounts the following, "I spoke at length with the father of a disabled son who told me just how the two of them have valued their time together breathing new life into an old Wolseley engine. Although the two scooped a third place, they are sadly unable to attend the finals. Another youngster who suffers from severe dyslexia called me with an offer to rebuild an engine for me if I were to complete his workbook. Last, but not least, one entrant's father passed away in the week leading up to the semi-finals and he spoke of how he was able to continue his work on the engine in loving memory of his father."

John Kennedy, Engen's Lubricants Business Manager, says that while Engen is constantly focused on the shifting landscape of modern, increasingly mechanised agriculture, an initiative that has also proven highly successful is the Engen Museum at Nampopo where the company has hosted demonstrations of the start-ups of old engines and the driving of vintage tractors.

"This competition has clearly demonstrated that giving first engines a second life is a compelling, absorbing and highly rewarding undertaking, requiring painstaking research, concentrated detective work in tracking down parts and the hands of a surgeon in assembling and starting the engines," adds Kennedy.

## Meat prices expected to increase up to 15% by December

AS braai season approaches, red meat prices are expected to trend higher by at least 9% to 15% from now until December due to tight supply and increased demand from consumers during the festive season.

Currently, red meat prices are relatively stable to strong due to tight supplies as livestock farmers hold on to stock and avoid slaughtering in the hope that pasture conditions will improve should seasonal rains materialise sooner.

Paul Makube, Senior Agricultural Economist at FNB says red meat slaughtering has been substantially higher this year compared to the past three years as a result of the drought. For example, the cumulative sheep slaughter number is currently 111% and 69% higher than the 2015 and 2014 levels respectively.

However, despite an increase in slaughtering, we did not experience an oversupply of meat which would have resulted in lower prices due to exports and a strong

demand for our meat in the tourism sector.

"In terms of the outlook for beef, we are heading into a seasonal price increase of between R3.4 and R5.7 per kilogram (kg) for Class A beef as braai season returns. Consumers that prefer to braai lamb can expect to pay between R5.6 and R9.4 per kg more for Class A lamb over the festive period," says Makube.

Pork will also benefit from the price gain of red meat. However, there won't be much of a price movement in poultry due to increasing imports.

Despite continued pressure on disposable income, consumers would still be able to absorb a slight increase in meat prices during the festive period. While others will opt to purchase red meat in bulk to outweigh price increases.

"Even during tough economic conditions, we have picked up a trend where consumers will usually cut back on luxuries and non-essentials, but generally



spend more on food and meat, during the festive season."

However, Makube cautions that prices would have to return to normal levels in January post the festive season to avoid resistance from consumers.

He says that with rain expected in the coming months, the situation should start improving for livestock farmers that have suffered financial losses as a result of the drought. Forecasts are now projecting neutral conditions for the 2016/17 season, meaning that we should expect normal, instead of above normal rainfall as had been previously estimated.

According to Makube,

this is good news as the sector will not have to worry about possible damage resulting from floods, torrential rains and heavy winds, often associated with a strong La Nina that was predicted earlier during the past few months. The expected rainfall should be sufficient for herd-rebuilding to begin, further helping livestock farmers to reduce costs in the long-term.

"By mid-2017, we should see a moderation in grain prices which will lower animal feed costs, resulting in improved margins and profitability levels for farmers that are currently facing losses from the recent drought," concludes Makube.

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# Growth in rigid plastic packaging

RESEARCH company Canadean Group predicts global decline in glass packaging for food, in favour of rigid plastic formats which they forecast to grow by 4.2% CAGR between 2013 and 2018, due to the cost-reducing advantages.

## Retortable plastic tubs

Products traditionally packaged in glass or tin (such as fruit, jam, pickles and soups) can now be packed in cost-effective,

lightweight plastic tubs that give the visual impression of glass, whilst eliminating the risk of broken glass in the factory or store. South Africa's first retortable barrier plastic tub, from Polyoak Packaging, can be hot-filled to extend product shelf life for up to 24 months under ambient conditions. This presents a significant opportunity for food products distributed throughout Africa with limited cold storage. The tubs are also

microwave, dishwasher and freezer safe. It's an ideal, modern solution for soup, jams and processed foods such as baked beans, vegetables, fruit, fish, evaporated milk or even dried goods such as nuts.

## Hot-fill PET bottles

Growing demand for adult non-alcoholic craft-style drinks with natural ingredients, along with the desire for preservative-free products, have created

a huge opportunity for hot-fill PET bottles because of their ability to retain a long product shelf life without adding preservatives. Polyoak Packaging now offers hot-fill PET preforms and stylish 330ml and 500ml bottles which are ideal for preservative-free ambient products such as sauces and fresh fruit or vegetable juices. The complex manufacturing process requires each bottle to remain completely hygienic during every

stage. Polyoak qualifies to make these bottles as its manufacturing sites are fully FSSC 22000 certified for food safety and they adhere to strict international hygiene standards.

## Tamper-evident closures

To eliminate the risk of food tampering in store, Polyoak launched its 28mm one-piece tamper-evident flip-top closure range, which won a WorldStar Packaging Award in 2015 for its cost-saving potential as it requires no extra wads, liners or shrink film. "Tamper-evidence is critical to protect brand integrity and the reputation of the retailer. This innovation ticks all the boxes in terms of sustainability, consumer convenience and food safety," concludes Alan Caldwell, National Executive at Polyoak.



*Polyoak's retortable barrier plastic tub is a lightweight, cost effective substitute for glass jars or tins.*

## Advanced packaging technology

Ease of recycling and reduced carbon footprint should always be top of mind throughout the packaging design process. Clever designers can create inspiring packaging with impactful shelf appeal, which is also more environmentally friendly. R&R Ice Cream partnered with Polyoak to launch the new Dairymaid ice cream tub which is al-

most 10% lighter than its predecessor. It is the first tub in South Africa, possibly Africa, with in-mould labelling (IML) across the entire surface area of the tub and lid. This increased the space available for branding by up to 90% to maximise sales potential. In September this advanced IML technology won Polyoak a prestigious AfriStar Award organized bi-annually by the African Packaging Organisation (APO.)

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## Oil and water do mix

THE old adage about oil and water not mixing is certainly not true for Technoburn – supplier of steam / fuel / services to many industries that require process heat.

When it comes to 'water', the company provides steam, hot and super-heated water equipment for many applications in the food processing and beverage industries; examples ranging from hot water used in chicken processing, steam for cooking of meat products, sterilization of dairy equipment and in the bottling of beverages, and super-heated



water used in the pasta making process.

## Buy steam by the ton

In addition to supplying steam generating plants for outright purchase, Technoburn offers a 'steam sale' solution where clients pay only for each ton of steam produced, which doesn't involve capital expenditure. A site analysis and an evaluation of a client needs results in the customer entering into a fuel supply agreement and being billed per ton of steam generated by the plant over a fixed term. This is an ideal solution for many start up production facilities or facilities that need upgrading.

Besides supplying steam to factories, some clients such as the dairies and bakeries prefer Technoburn to handle complete boiler house management thereby freeing staff and resources to focus on their core business. Technoburn service and maintain the

installation according to manufacturer's operating specifications and current legislation.

With over 30 years' experience between them, Technoburn technicians service most common boilers and burners on a 24/7 basis, and the company says it keeps one of the largest range of burner spares in the country, as well as an extensive range of other boiler parts and spares in stock.

Technoburn (Pty) Ltd. are exclusive Distributors of Ivar Steam and Hot water boilers, Ecoflam burners and various fuel burner pumps.

## The oil business

Technoburn design, install and maintain the entire energy supply process and is a market leader in the fuel and combustion engineering industry with a commitment to burning alternative fuels combined with specifically engineered energy

**Continued on P21**



## We have plastic packaging covered.

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## Fine South African wine goes green with Schneider Electric solar solutions

THREE wine estates have recently blended vintage with innovation by taking advantage of the South African climate to enhance their power requirements.

De Grendel dairy and wine farm in the Durbanville Wine Valley along with Leopard's Leap Family Vineyards and La Motte, both based in Franschhoek Valley, all turned to renewable energy specialist, Emergent Energy, to provide them with a green solution to answer their escalating cost of electricity concerns.

Working closely with Schneider Electric, a global specialist in energy management and automation, Emergent Energy selected solar products from



the Schneider Electric range to offset a large portion of the farms' electrical requirements.

De Grendel's solar photovoltaic (PV) system by Schneider Electric consists of a 21kWp roof mounted structure on its cowshed, using Trina modules to

offset its dairy operation's electrical requirements. An 189kWp ground-mounted system by Schneider Electric is installed along the highway adjacent to the farm and further offsets a large portion of the entire farm's electrical requirements.

Schneider Electric solutions offering 54.9kWp and 104kWp of solar power to Leopard's Leap and La Motte respectively were also installed using Trina modules.

"The projects are boasting exciting returns on investment with a measurable reduction in electricity bills. In addition, the lower carbon footprints of the farms and green focus have enhanced their reputations as being innovative companies that adhere to sustainable practices and run eco-friendly operations," says Leon Hailstones, channel manager for Schneider Electric's rooftop and off-grid solar products in southern Africa.

Yoann Joyeux, managing director at Emergent Energy, adds, "We work closely with Schneider Electric as the company guarantees both brand reputation and quality products. The company also offers a strong service network of partners and employees throughout South Africa."

This support is critical to us because Emergent Energy works on projects throughout the country and we are able to rely on Schneider Electric in each province, as illustrated by the recent successful implementation of the Schneider Electric 41kWp solar PV solution at the Corner Office Park in Johannesburg."

## Oil and water do mix

Continued from P20

solutions. Clients are supported by a team of dedicated and experienced technicians who provide their expertise and service on a 24/7 basis giving clients peace of mind.

As one of the few companies in the Western Cape that can provide a truly turn-key energy solution, Technoburn believe in the ethos of sustainable waste-to-energy streams. Its founders have created the Moai Asset Holding group of companies, all of which have a recycling element to their business plans and the minimising of CO<sub>2</sub> emissions.

Its aim is to complete the oil supply cycle, from waste oil collection to treatment, to distribution all under one group of companies thereby controlling the whole process from start to finish. Moai has two main collection arms which collect waste stream oils from the marine and the automotive industries country wide and a third that has access to coal derived oils / products.

### Recycled fuel oil fires boilers

Oil doesn't degrade, it only becomes dirty and with Technoburn's cleaning process recycled fuel oil can be used in boiler setup applications, saving the cost of virgin oil, which is susceptible to price variations and in some

cases, fuel shortages.

Technoburn – at its site in Athlone – has a fuel storage capacity of in excess of one million litres of oil and holds accreditation for ISO 14001 as well as ISO 18001. Part of this accreditation applies to the recycling of all forms of waste within the Moai Group of companies and it is registered with IPWIS (The Integrated Pollutant and Waste Information System developed by the Department of Environmental Affairs and Development Planning) as a waste processor on a local and national basis. Technoburn also holds a fully compliant and nationally approved integrated waste management plan which shows its commitment to "going green" and environmental awareness.

The Group of companies have many options that can fulfil your needs, individual evaluations can be provided to obtain the best solutions.

Restrictions on oil availability have driven it to think "outside the box" and reassess this valuable commodity. Increased machinery and mechanisation place yet more pressure on oil demand and the Moai group are continuously seeking ways to recycle and extend the usefulness of this valuable commodity utilising as few additional resources as possible in the process.

## South African Rooibos IP innovation to be presented at WIPO congress in Geneva

THE extensive trademarks and patents protecting two of South Africa's unique botanical treasures, namely Rooibos and Honeybush, has caught the attention of the international community where the Minister of Home Affairs, Malusi Gigaba has been invited to deliver a keynote address at this year's 56<sup>th</sup> General Assembly of the World Intellectual Property Organisation (WIPO.) It's the first time that SA has been asked to present in respect of trademarks, patents and IP innovation at this prestigious conference, which will run till the 11 October.

Ernest du Toit, a Director of the SA Rooibos Council and CEO of the world famous, Annique range of Rooibos teas, skincare and health products, was approached by the Companies and Intellectual Property Commission (CIPC), which functions under the auspices of the DTI, to present information on the Annique Rooibos health and beauty product range and on the Audacia Rooibos and Honeybush-wooded wines, owned and developed by Trevor Strydom.

Du Toit says he is honoured to participate in the symposium, which will specifically look at how patented and trademarked technologies remain critical to ensuring long-term economic growth for both developed and developing nations.

"Rooibos and Honeybush were specifically singled out as SA treasures since they are both endemic to SA and are among the most widely

commercially cultivated botanical species originating in South Africa with more than 300 trademarks and 20 patents to their names," remarks du Toit.

Red Dawn IP Holdings – owned by Audacia Wines and KWV – has developed a method of preserving alcoholic beverages using indigenous Rooibos and Honeybush wood-chips, instead of currently accepted sulphite preservatives, which has also

intrigued the international IP community.

The innovation by the Stellenbosch-based company is a huge potential game changer in the alcoholic beverage industry, given that Rooibos and Honeybush toasted wood-chips not only impart unique and highly distinctive flavours to a wide range of beverage types, including wine, beer and cider, but also release antioxidants which helps to preserve these beverages, eliminating the use of


synthetic preservatives, such as sulphites. Audacia has already created a series of "No Sulphites or Preservatives Added" wines, as well as low calorie wines, using this breakthrough technology.

Trevor Strydom, Director of Red Dawn IP Holdings, who has lodged patent applications in 83 jurisdictions worldwide, for the exclusive use by South African alcoholic beverage producers, to create wine, beer and cider, using indigenous

Rooibos and Honeybush materials in varying forms, says safeguarding these local resources is crucial to developing jobs and businesses, and to sustain a vibrant economy.

"Patent protection and trademark registration of our products is particularly significant given that the European Union finally recognised both Rooibos and Honeybush as Geographic Indicators (GI), in 2014. This means

Continued on P28



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# Tsogo Sun is three-time top buyer at 2016 wine auctions

FOR the third year running, Tsogo Sun has walked away with top honours as the biggest single buyer in South Africa's two leading wine auctions – the 42<sup>nd</sup> Nederburg Wine Auction and the 32<sup>nd</sup> Nedbank Cape Winemakers Guild (CWG) Auction – representing a total spend of R3,696,800.

This trend highlights Tsogo Sun's commitment to offering guests the best experience in food and beverage. The wines will be available on the wine lists of selected Tsogo Sun hotels with a strong existing base of wine-lovers.

**The CWG Auction saw Tsogo Sun spend a total of R2 616 800, representing 495 cases and a total of 2,970 bottles.**

Miguel Chan, Tsogo Sun's group sommelier, who headed the Tsogo Sun buying team, says that special wines add great value to the food and beverage offering at Tsogo Sun's hotels and restaurants. "Our brief at wine auctions is to buy an outstanding selection of wines at the best possible prices for Tsogo Sun to create great experiences for its guests."

At the Nederburg auction on 16 and 17

September, Tsogo Sun bought 327 cases of wine totalling R1.08m and representing 14.3% of the auction's total sales, up from last year's percentage of 10.4% of total sales.

A total of 10,506 litres of wine were auctioned with total sales increasing by 23% over 2015 and a slightly lower volume than last year by 4%. Dalene Steyn, Nederburg Auction Manager, says the increase in total sales is a clear endorsement from buyers worldwide. "It indicates that a strong appetite exists for fine, mature South African wines – and that they're willing to back this up with their wallets." The auction achieved record prices and an all-time high rand per litre price of R740. The top selling South African white was the De Wetshof Chardonnay Finesse 1993 vintage, which reached a record price of R2,000 per 750ml bottle, and the top red wine was 1976 Zonnembloem Shiraz, which fetched R9,777 per litre, totalling R22,000 for three 750ml bottles.

The CWG Auction saw Tsogo Sun spend a total of R2 616 800, representing 495 cases and a total of 2,970 bottles. Tsogo Sun was once again the highest bidder at the auction, which saw total wine sales of R13,833,400m – R2m more than 2015. Commenting on Tsogo Sun's best purchase of the day at the CWG Auction, Chan says, "We secured 200 bottles of a wooded Sauvignon Blanc from Bartho Eksteen, which is absolutely fantastic – truly world class."

Chan says South Af-

rican wines often have the edge on international wines because many of our top-rated wines are produced in small quantities. "A prime example is auction wines where the total release of a wine is just 600 bottles. This rarity creates its own demand and buyers are more keen than ever to get hold of a bottle or case for own consumption, for their cellars, or to impress. This adds to the appeal of these special wines on our leading restaurant wine lists."

He adds that Tsogo Sun has four primary criteria that it considers when buying wines for the group. "The first is quality, the second is terroir, the third is distribution, and the fourth is brand appeal." He says that wines that fit the criteria, and have a "personality attached to them; a story attached to the bottle or the winery, a story of how the wine was made to get that specific taste profile," are wines that are likely to be popular across the Tsogo Sun properties.

Says Ravi Nadasen, Operations Director of the Northern Gauteng region for Tsogo Sun, "We opted to base our decisions on the physical attributes of the wines as opposed to the varietals to ensure that the wines keep well over a period of time. We managed to secure some exceptional wines at both auctions that will add great value to our wine lists."

"South African winemakers on the whole put exceptional care and effort into producing great wines. We're

proud of that – and delighted that this echoes the care we take to select the right wines for our properties, serving them as part of our world-class food and beverage offering," says Chan.

The wines will be available at selected Tsogo Sun hotels and restaurants and can be purchased from Café Cru at Montecasino in Johannesburg via their off sales license, giving wine-lovers the opportunity to purchase auction wines to enjoy at home.



Louise Sevel, Group Brand Manager for Tsogo Sun.

## Is your food labelling in line with global best practice?

FOOD manufacturers who focus on the European market – as well as those who wish to keep pace with international benchmarks – are gearing up for more complex labelling requirements under the new EU Food Information Regulation. Under this updated legislation, which comes into force mid-December 2016, it will be obligatory for back of pack labelling to carry a more detailed nutrition declaration.

Key changes include:

- Better legibility of information (a minimum font size must be adhered to)
- Clearer presentation of allergens (in a way that makes them stand out and easy to spot)
- Origin information for fresh meat
- Listing engineered nanomaterials in the ingredients



- Detail on the vegetable origin of oils and fats
- Information on defrosted products

Having to include all this extra information on-pack and ensuring that it is done so in line with the new regulations poses an onerous compliance burden for many manufacturers that are impacted by this new legislation.

At the same time, product owners face the challenge of keeping their branding and product recognisability intact while fitting all the extra information

in the required font sizes and formats on their labels.

Fortunately, Pyrotec PackMedia has a smart solution that allows food and beverage manufacturers to include as much mandatory information on-pack as they need to, with minimum brand interference.

Its Fix-a-Form Informational Booklet Labels provide multiple pages of communication space attached to your product packaging in the existing label area (with minimal impact on your exist-

ing production lines.) Whether you need to include more nutritional information, cooking instructions, recipe suggestions, safety information or even several languages on one label – it's possible!

With Fix-a-Form, you are able to provide your consumers with comprehensive information about what's in your products and where all the ingredients come from. Not only will you be keeping abreast of international food labelling standards, but you'll also be positioning your brand as one that is open and honest about how your products are made.

At the same time, Fix-a-Form booklet labels are compatible with any material including glass, plastic, card and foil, as well as containers of all shapes and sizes.



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# The new Daikin FTXB-C split air conditioning system



LAUNCHED in the spring of 2015, the new Daikin FTXB-C Split system is an affordable air conditioning system aimed at homeowners that combines powerful functionality with good looks. Designed and manufactured in Europe, the combination of air-to-air heat pump and wall-mounted indoor unit offers a renewable energy solution, capable of delivering the perfect indoor climate whatever the weather and reducing energy bills at the same time.

Compact and easy to install, the FTXB-C's high efficiency outdoor air-to-air heat pump achieves excellent energy efficiency, up to A+ rating, and maintains comfort levels by extracting energy from the ambient air to heat the house in winter and reversing the process to extract heat from the indoor air in hotter months.

The FTXB-C's indoor unit with its wipe-clean flat front panel blends in easily to provide discreet comfort in any setting. Whisper quiet in operation, the new FTXB-C air conditioning system demonstrates the innovation for which Daikin is renowned, harnessing state of the art technology to deliver maximum responsiveness and precise control at a competitive price.

Vertical auto swing louvres ensure efficient air and temperature distribution throughout the room with no cold spots, while a turbo mode enables rapid heating or cooling for optimum comfort.

The new Daikin FTXB-C will also appeal to families looking for a pure air supply. A powerful titanium apatite photocatalytic filtering system removes airborne dust particles and absorbs unpleasant smells such as cooking and pet odours to keep the air sweet while filtering out bacteria, viruses and allergens that could affect vulnerable family members.

The FTXB-C air conditioning system is supplied complete with an easy to use infrared remote control with sophisticated functionality that puts users in control. In addition to the turbo mode, the

inbuilt 'comfort' and 'vertical swing' features provide even air distribution with intelligent flow control to avoid cold air draughts. A timer function allows

homeowners to programme the unit to start or stop to suit their personal lifestyles and temperature preferences.

The newest addition to the Daikin range of

home air conditioners offers a realistic option that will appeal to homeowners and specifiers looking for a solution that delivers on both performance and value.



The new inverter chiller features a screw compressor with in-built inverter and variable volume ratio.

These new technologies result in a high seasonal efficiency and a rapid payback combined with an extensive option list and a compact design.

Find out more on [www.daikin.co.za](http://www.daikin.co.za)





# Eurolux shines on

ACTIVITY in building sector remains subdued and the residential housing market sentiment remains dull – but despite this dull environment Cape Town-based lighting specialist Eurolux is still managing to produce bright profit numbers. The company, which is headed by respected businessman Peter Willigh and controlled by electrical products group ARB Holdings, reported a lively 19% gain in revenue to R507m in the year to end June. This top line performance is even more impressive when taking a medium-term view, noting that Eurolux generated revenue of R350 in its 2014 financial year. The operating profit line showed an enviable 37% gain to R60m – reflecting a well-insulated margin of close to 12% despite a highly competitive trading environment.

By comparison Radiant Lighting, owned by cabling group South

Ocean, posted a much more modest increase in turnover to R163m in the year to end June, but showed a R4m loss at bottom line as trading margins were severely eroded.

In truth, Eurolux has been a saving grace for ARB – delivering consistent profit growth every year since it was acquired for just R81m in 2011. As at the end of June, Eurolux accounted for 20% of ARB's revenue but a hefty 26% of operating profit. ARB CEO Billy Neasham says Eurolux continued to show market share gains with the introduction of new products – including a joint venture to distribute Crabtree products into retail stores. He says Eurolux's expanded product range made its offering more appealing to large chain stores and to electrical wholesalers.

Neasham says Eurolux's gross trading margins were negatively impacted by the

competitive environment and the volatile exchange rate. But he said bottom line profits were ensured by management's successful efforts to keep tight control on overheads. Looking ahead, Neasham believed Eurolux's growth would be mainly organic through product extension as well as focused targeting of key customers and market segments. There would also be a continued focus on market share gains with new products in the wire segment being introduced.

Neasham said other opportunities would include the introduction of additional product ranges such as Euro Nouveaux, a top range of lighting for discerning buyers. He also reckoned there was scope to better manage the stock efficiencies in Eurolux without prejudicing the service levels to their key customers (mainly the large retail chain stores.)

# Powermite brings 'Engineering Solutions' to Electra Mining 2016

POWERMITE shone the spotlight on its 'Engineering Solutions' at this year's Electra Mining with an impressive display of unique new cable glands, innovative couplers, reflective mining cables as well as a host of high quality, rugged electrical components.

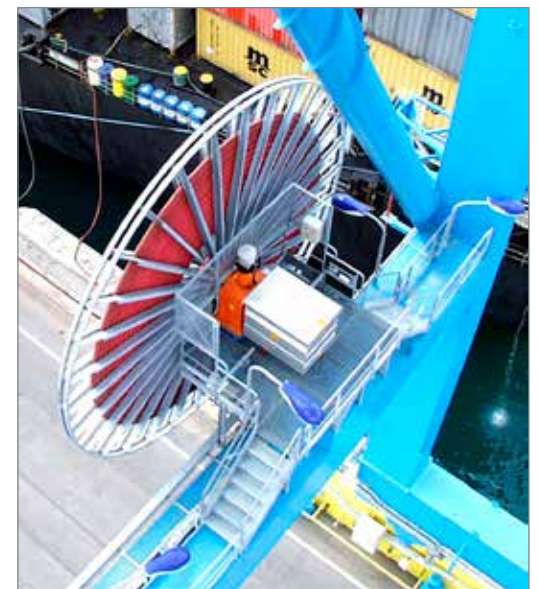
"Electra Mining presented us with the perfect platform to showcase our brand new own-branded product, the Orion AMPgland," says Donovan Marks, Marketing Director of Powermite, a Hudaco company that specialises in components, equipment and systems engineering. "We expect this all-inclusive state-of-the-art cable gland which features a unique double-compression O-ring to be well received by the mining and oil and gas industries in particular due to its ability to secure and seal cables safely and efficiently." Marks adds that the AMPgland attracted a lot of interest at Electra Mining.

In addition to boosting Powermite's cable gland offering to customers, this world-class cable gland complements the company's comprehensive range of flame-proof plugs, sockets, connectors, adaptors, couplers, plug couplers and luminaires. "The successful expansion of our basket of offerings now enables us, as electrical and flame proof

product specialists, to offer the cable plus the connector plus the AMPgland, positioning Powermite as a solutions provider for virtually any electrical installation."

Powermite also exhibited the ProAlloy, a low theft risk, low weight coupler manufactured by flame- and explosion-proof product specialist and sister company, Proof Engineering. "The coupler is manufactured to specification from our patented non-theft ProAlloy material that is comprised of a zinc, copper and aluminium mix that holds no resale value thus earning itself the name, 'non-theft material'," explains Marks. "In addition, these ProAlloy couplers are 33% lighter in weight compared to their brass equivalents and are also lighter on the pocket, offering a perfect coupler solution to mining and industry."

Also on show was Powermite's rugged and flexible range of TPU mining cables. Specially designed to withstand the hazardous conditions typically found in open cast mining, the copper-screened mining cables' rugged design reduces the risk of cable damage and extends component service life. Marks points out that the resultant low maintenance leads to increased uptime and improved productivity for the



A cable reeling drum.

end-user. Moreover, the cables' orange / silver reflective tape, under an outer extra-heavy duty ICEA S-75-381 compliant TPU jacket, ensures easy identification, especially at night, for increased personnel safety and reduced risk of cable damage.

Powermite's range of electrical products, hazardous lighting products and components displayed at the mining expo are manufactured locally by Proof Engineering and Ampco in a state-of-the-art manufacturing facility in Roodepoort on Johannesburg's West Rand. "We are the largest plug and socket manufacture in Africa under one roof and the

combined strengths and synergies of the two companies have resulted in a lowered cost base, improved efficiencies across the board and, most importantly, enhanced products and service delivery to customers and end-users," concludes Marks.

Topping off its Electra Mining display was Powermite's comprehensive range of energy saving LED lighting solutions for hazardous tunneling and underground mining applications; electrical crane materials and flexible cables; cable reeling equipment as well as plugs and sockets represented by well-known brands such as Conductix, Mennekes, Molex and ProConnect.

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# New scope offers improved signal visualization

TEKTRONIX – a global provider of measurement solutions – has announced the launch of its new TBS2000, a next generation basic oscilloscope featuring what the company claims is the longest record length and largest display in its class for faster signal evaluation and troubleshooting. This latest addition to the Tektronix portfolio puts expanded capabilities, including the ability to use a wide range of Tektronix probes, into the hands of budget-constrained design engineers and educators.

Building on the success of their TDS2000 Series, the most widely used oscilloscope in the world, the new TBS2000 gives users a level of design insight previously not available in this class of instrument, the company says.

"The new instrument also sets a new standard for usability with features like a



large display for easy signal visualization and a comprehensive set of automatic waveform measurements that are coupled with graphical explanations to help engineers better understand their measurements."

Design engineers use general-purpose oscilloscopes to prototype, debug and validate designs of new products and for general troubleshooting. In education, such oscilloscopes give students hands-on experience in electronics engineering and educators need to efficiently mentor and monitor large groups of

students. The TBS2000 meets these requirements and more:

- Models are available with 70 MHz or 100 MHz bandwidth and with 2 or 4 channels.
- With a 9-inch WVGA display, the TBS2000 can display 15 horizontal (time) divisions allowing users to see 50% more signal than any other scope in this category.
- A 20 Mpoint record length with single-knob pan and zoom provides the ability to capture long time duration

signals and easily navigate to find important details.

- Support for the Tektronix VPI probe interface – the first time for a low-cost Tektronix oscilloscope – allows users to use a wide range of Tektronix active probes at an affordable price.
  - New HelpEverywhere context-sensitive, configurable help provides on-screen tips for important settings.
  - Wi-Fi dongle support enables wireless connectivity so educators can easily set up electronics engineering labs or engineers can take advantage of the instrument's LXI-compliant interface to conveniently control the oscilloscope remotely.
- Tektronix is represented in South Africa by Comtest.



# A first for Nautic



NAUTIC, a Paramount Group company, says it has become the first shipyard in South Africa – and one of the first on the continent – to achieve certification to the revised International Quality Management Standard, ISO 9001:2015.

The Cape Town-based shipyard recently passed its annual ISO 9001 audit and chose not to take advantage of the three-year transition period available to companies to migrate its quality management to the new 2015 Standard.

“Nautic Africa being certified so soon after the release of the new standard, demonstrates how dynamic this organisation is in not wanting to sit back and wait for 2018 to gain certification,” says

SHEQ Manager, Hermoine Manuel.

ISO 9001:2015 represents the first major revision of the quality management system standard in 15 years. “The additional requirements mean there are more checks and balances within the QMS, which brings about increased confidence in our ability to meet customer expectations,” she says, adding that the company is certified by DNV GL, one of the world’s leading certification and classification societies.

Nautic has met all the requirements as set out by the new International Standards and has been audited to verify their voracity to deliver to the required parameters that include a strong custom-

er focus as well as the motivation and involvement of top management. ISO 9001:2015 emphasises a process approach and continual improvement.

“ISO 9001:2015 introduces a very strong focus on risk-based thinking. This forces us to be more proactive in all aspects of the business. In doing so we can ensure repeat business through improved client satisfaction, and new business through an enhanced reputation,” says Manuel, who adds; “We have raised the bar for ourselves. In order to maintain certification, we have no choice but to be excellent in what we do.”

## Competitions Commission raids container operators for alleged price fixing

ACCORDING to an article published in the Wall Street Journal (WSJ: 29 September 2016) South Africa’s Competition Commission SACC) has carried out search and seizure operations at the local offices of five of the world’s biggest shipping lines, while investigating price-fixing claims. The regulator has raided the Western Cape and KwaZulu-Natal offices of the five companies under investigation.

This after the South African regulator imposed an US\$8.5m fine on Japan’s Nippon Yusen Kabushiki Kaisha for colluding with competitors in shipping vehicles.

It says, “The commission has reasonable grounds to suspect that [these companies] have engaged in collusive practices to, inter alia, fix the incremental rates for the shipment of cargo from Asia to South Africa in contravention of the Competition Act.”

The companies affected are:

- Germany’s Hamburg Sud South Africa (Pty) Ltd.
- Denmark’s Maersk South Africa (Pty) Ltd.



Port workers position a shipping container as it is loaded aboard a Maersk container ship

- Geneva-based Mediterranean Shipping Company (Pty) Ltd.
- France’s CMA CGM Shipping Agencies South Africa
- South Africa’s Safmarine (Pty) Ltd. (a Maersk subsidiary.)

The SACC seized both documents and electronic data to investigate whether the companies have indeed violated the national Competition Act.

“South Africa is a strategic hub for the trade of goods in and out of the Southern African region. Any cartel by

shipping liners in this region results in inflated prices for cargo transportation,” the SACC commissioner Tembinkosi Bonakele said. “Cartels of this nature increase the costs of trading in the region and render the region uncompetitive in the world markets. Such cartels have the effect of significantly derailing the economic growth of the region.”

So far CMA, Hamburg Sud and Maersk have confirmed that they are co-operating with the regulator’s investigation.

The WSJ claims that Maersk, MSC and CMA

CGM — the world’s three biggest players in the industry — are often subject to price-fixing investigations by global regulators, but such probes can take years to be concluded and with freight rates hovering around record lows, cartel charges are difficult to prove – so much so that the European Commission closed a three-year probe on the pricing of 14 container liners in July of this year. It did so without imposing any penalties, although the carriers did undertake to make the freight rate setting practices more transparent.

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## Maritime arbitration to resolve cross-border shipping disputes in sub-Saharan Africa

MARITIME arbitration in Africa has the potential to become an effective tool in resolving cross border shipping disputes in sub-Saharan Africa. This is according to Andrew Pike, Head of the Ports, Terminals and Logistics Corridors Sector at Bowman Gilfillan Africa Group's Durban office.

Pike explains, "Where maritime services are provided in South Africa between one or more local parties, it has been our experience that the parties are more likely to refer disputes arising to high court litigation and less likely to refer disputes arising to arbitration (for example, in ship agency agreements.) On the other hand, some government organisations such as South Africa's Transnet National Ports Authority and Transnet Port Terminals, already turn



to arbitration in many instances (for example, in their port leases and port or terminal usage agreements.)

"In the international shipping contracts that we encounter in the course of our South African practice, English law remains by far the most popular choice of law and London the most popular choice of seat for arbitrations. The laws and arbitration seats of Singapore and New York follow on second and third in the popularity stakes, in our experience," he says.

Pike said however, that parties engaged in international maritime disputes could agree a seat of arbitration in Africa, even where they are applying a foreign law to the resolution of the dispute itself. In such a case, it is envisaged that any arbitration hearing would take place at a venue in Africa and also be subject to the procedural rules and court supervision of the country in Africa so chosen by the parties.

"Encouraging parties to arbitrate their shipping disputes in

Africa may require changes to the legislative framework of those countries seeking to host more international arbitrations," he explains.

"To this end, South Africa already has an established maritime enforcement regime. South Africa is also considering a draft International Commercial Arbitration Bill incorporating the United Nations Commission on International Trade Law's (UNCITRAL) Model Law on international commercial arbitrations and repealing the exist-

ing Enforcement Act to replace it with a new enforcement framework."

Pike noted that the number of maritime arbitrations in Africa may be further bolstered by the establishment of one or more maritime arbitration centres in Africa, possibly with their own set of bespoke maritime arbitration rules, and seeking to bring together Africa's local legal, technical and commercial shipping expertise. These would of course require the support of an experienced panel of shipping arbitrators who

would be able to respond to appointments at short notice.

"In addition, both the African Maritime Transport Charter and 2050 AIMS seek to increase Africa's share of global ship ownership. They envisage the possibility of an African fleet doing cabotage trade around Africa. Cabotage places restrictions on the ships that are allowed to trade within a particular region. So, for example, only ships beneficially owned/operated by nationals of African countries might be allowed to trade between African states," he says.

Pike noted that if these and other initiatives had their desired effect, more nationals from African countries owning/operating ships will be negotiating charterparties, bills of lading and other shipping contracts with African counter-parties. They will therefore be

in a stronger position to influence the law and dispute resolution mechanisms governing their charterparties, bills of lading and other shipping contracts.

"These parties might be persuaded to incorporate clauses into their contracts, which provide for arbitration to be held in a country in Africa, either in the country concerned or at a specialist African maritime arbitration centre, either adopting local bespoke arbitral rules or else importing rules, such as those of the London Maritime Arbitrators Association. These parties might further be encouraged to draw on Africa's wealth of local legal, technical and commercial expertise in the maritime sphere, such as the members and rules of the Maritime Arbitrators Association of Nigeria," he adds.

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## The rehabilitation of Port Nolloth



Port Nolloth mainly supports local fishing and offshore mining activity.

IN an effort to develop the country's ocean's economy – in line with the government's "Operation Phakisa" initiative – Transnet National Ports Authority (TNPA) has started a multimillion rand infrastructural rehabilitation project at the small domestic seaport of Port Nolloth on the

north-western coast of South Africa, near the Namibian border.

Cape Town Port Manager, Sipho Nzuza (whose portfolio includes Port Nolloth) says, "Port Nolloth has historically been overlooked, but this rehabilitation project has seen us invest R7.2m to date of a budgeted project value of R39m. The full project is expected to be completed in October 2017."

Steffanuti Stocks Marine (Pty) Ltd. is the contractor, and it commenced preparatory site establishment activities in August. The primary Transnet infrastructure at the site consists of an L-shaped concrete deck on pile jetty – including a landing quay with a length of approximately 67m and a useable area of 1,450m<sup>2</sup>.

The project includes:

- Refurbishment of the jetty structure
- Refurbishment or replacement of concrete where required

Continued on P27

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# EBH Namibia and MMMC union cooperation ensures minimum compulsory retrenchments

IN the face of a prolonged economic downturn and the need to restructure, ship repair company Elgin Brown and Hamer (EBH) Namibia has – after nine weeks of negotiation with the Mining Metal Maritime and Construction (MMMC) union – successfully managed to reduce recent retrenchments to a minimum and ensure the bulk thereof opted for voluntary separation.

At the time of the decision to retrench employees, EBH Namibia employed 551 people – 466 permanent staff and 85 fixed-term contractors (FTCs). Of the 102 employees retrenched, 82 opted for voluntary separation; while ultimately only 20 employees had to take compulsory retrenchment.

“Of the 82 employees voluntarily retrenched, there were 17 in the 55 – 62-year age bracket, of whom seven volunteered for early retirement,” explains Hannes Uys, CEO of EBH Namibia.

“It is also noteworthy that 71.3% of those leav-

ing EBH Namibia opted for early retirement or voluntary retrenchment; and that compulsory retrenchments made up less than 30% of the total number of employees retrenched,” he adds.

Regarding retrenched expatriate employees, he adds that – depending on market conditions and the demand for resources at that point – the company will recruit Namibians to fill these positions.

The last working day for those affected by the retrenchments was July 29, 2016.

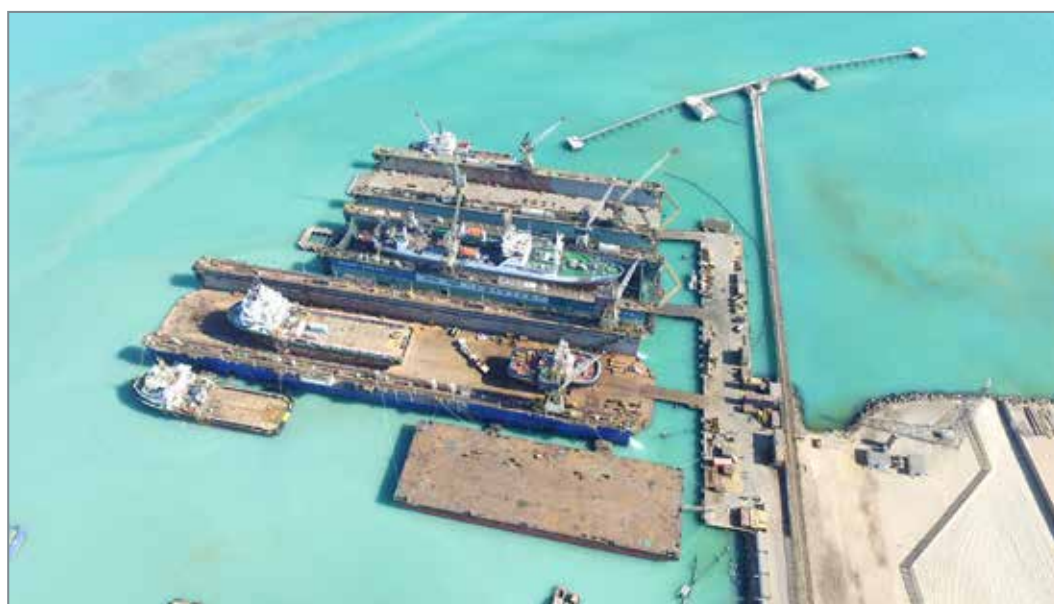
“It is a painful decision to have to retrench and not something we took lightly,” asserts Uys, emphasising that it is EBH Namibia’s sincere intention and hope that the retrenchment packages provided will assist the affected employees to move forward constructively.

With a prolonged low oil price and depressed economic cycle, it was imperative for the company to reduce costs and improve efficiencies. In March 2015, EBH Namibia began

proactively implementing stringent performance improvement projects (PIPs.)

In spite of these proactive steps, EBH Namibia continued to experience a 50% decline in docking activity. In response, the company carefully analysed both operational and human resources aspects of the company. It was found that, in spite of the savings brought about by the PIPs, the prolonged downturn dictated the adoption a company-wide restructuring and stabilisation programme, announced in April this year.

In deciding to implement the retrenchment decision, EBH Namibia worked closely with the MMMC, the EBH Namibia Workers Representative Committee (WRC) and the Namibian Labour Ministry. To reduce compulsory retrenchments to a minimum, early retirement and voluntary retrenchment options were offered to all EBH Namibia employees, irrespective of their seniority.



Aerial view of EBH Namibia's 3 floating docks – Namdock 1, Namdock 2, Namdock 3.

Commenting on EBH Namibia's relationship with the MMMC and the WRC, Uys says: “Our relationship with the MMMC and the WRC as strategic partners is good, and we are continuing to enhance it. We would also like to extend our sincere thanks to both parties for their cooperation leading up to signing of the Retrenchment Agreement,” he continues.

The MMMC is affiliated to the Namibian National Labour Organisation (NAN-LO), whose President is Evilastus Kaaronda, who concurs with Uys's comments: “The fact that this agreement was ultimately achieved through mutual co-operation and perseverance demonstrates the willingness of both parties to work together to ensure the compa-

ny's long-term future,” he says.

“There is the very real possibility that, when the oil price strengthens, we will be able to re-employ some of those whom we have just had to retrench,” Uys continues. With a view to this, the company intends forming a ‘pool’ of Namibian FTCs that it will call on as and when future projects require

additional resources.

“It is widely predicted that a resurgence of the oil price is very likely to occur in mid to late 2017. The tough measures that we are being compelled to take now will ultimately ensure a stronger and more sustainable EBH Namibia; which will be ready to take full advantage of the upturn when it comes,” he concludes.

## The rehabilitation of Port Nolloth

Continued from P26

- Refurbishment of quay infrastructure
- Replacement of quayside fender systems by TNPA and De Beers
- TNPA will also do revetment works to address erosion of the shore line

Nzuza said Port Nolloth would continue to serve as a support facility to the fishing and offshore mining industries and would play an active role as part of the Western Cape port system.

According to website Maritime Logistics Professional, Port Nolloth has operated under a 10-year lease

agreement to De Beers Group Services, which has used it as an offshore supply base for conducting diamond prospecting activity in Namibia. Smit Amandla supply vessels are stationed in Port Nolloth and are used for transferring supplies to De Beers’ offshore prospecting vessels.

The port has a rich history, initially acting as an export facility for copper from mines in the nearby Springbok area in the late 1800s. However, once these exports dried up, the port has mainly supported local fishing and offshore mining activity.



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## SEW-EURODRIVE achieves ISO 9001 Quality Assurance accreditation

SEW-EURODRIVE has achieved ISO 9001:2008 accreditation as part of an ongoing process to boost its customer support and value-adding services.

Celebrating its 85<sup>th</sup> anniversary this year, SEW-EURODRIVE South Africa Quality Manager Clinton Warrington says that SEW-EURODRIVE is continually looking at its own internal processes in order to make improvements and boost quality and performance. "ISO 9001 is all about customer satisfaction. We need to understand what our customers require from us, in order for us to be able to fulfil these requirements," Warrington explains.

Billed as a quality 'stamp of approval' for millions of organisations worldwide, ISO 9001 is one of the most widely used management tools in the world today. The ISO standards are designed to help



**SEW-EURODRIVE**  
South Africa Quality  
Manager Clinton  
Warrington.

organisations ensure that they meet the needs of customers and other stakeholders while complying with all statutory and regulatory requirements related to specific products.

Warrington adds that attaining the ISO 9001 mark will ensure business best practice at SEW-EURODRIVE. "The accreditation encompasses the total organisation. It is a business management approach, right from the customer, through to

all areas, functions and departments."

SEW-EURODRIVE embarked on an extensive process in order to acquire the necessary accreditation. "We wanted to ensure we had everything in place and that all departments were fully committed in order to ensure our success in attaining ISO 9001," Warrington stresses.

"We wanted to guarantee that it was not just a window-dressing exercise, but a fully functioning business tool that ensures that all parts of the organization continually improves with the aim of not just enhancing but also exceeding customer requirements."

Warrington reveals that, following its success in attaining ISO 9001, SEW-EURODRIVE has now set its sights on attaining industry-leading ISO 14001 Environmental accreditation.

## AECOM to oversee US\$1.5bn Tema Port expansion project in Ghana

AECOM will oversee construction of the US\$1.5bn Tema Port Expansion Project for Meridian Port Services (MPS), operator of the container terminal at Tema Port. The company will provide design and procurement management services prior to the award of construction contracts, after which it will supervise the construction of all of the port expansion facilities. The project commenced at the beginning of October 2016, with completion anticipated by Q4 2019.

MPS is a joint venture between the Ghana Ports and Harbours Authority (GPHA) and Meridian Port Holdings, with Bolloré Transport and Logistics and APM Terminals as the two main shareholders.

MPS is executing the project as part of the GPHA masterplan for the development of Tema Port. The necessary funding for the project has been



*The expanded Tema port harbour.*

secured by MPS from the International Finance Corporation (IFC), a member of the World Bank Group, as well as from shareholders.

China Harbour Engineering Company (CHEC) is the marine contractor. The project will treble Tema Port's current traffic of about one million Twenty-foot Equivalent Units (TEUs.) It will allow Tema Port to accommodate some of the world's largest container ships, and improve cargo-handling services and capacity. This will enhance the port's competitiveness as a leading maritime hub in West Africa.

The expanded harbour will accommodate larger vessels thanks to a dredged 19m-deep port access channel, a new 1.4km-long quay for four container berths, with a 16m draft, and a 4km-long breakwater.

"AECOM is proud to manage this project on behalf MPS. Due to the size and complexity

of the project, our team includes highly-experienced port project management professionals who have come to Tema from AECOM's global organisation," Project Director Ozgur Balaban explains. The Project Manager is David Hanly.

"These port specialists will work with our local Ghanaian specialists, who are well-qualified in project controls, contract administration, construction management and environmental management. We have a truly multinational staff, representing nine nations and five continents."

AECOM plans, engineers and oversees construction for some of the largest port and marine facilities worldwide. Its planners, simulation and logistics specialists, engineers, architects and economists are at the forefront of port, shipping, logistics and cargo trends.

It works with a broad spectrum of clients, including public and pri-

vate owners, as well as tenants of ports and marine terminals. Its range of maritime developments include container, liquid and dry bulk terminals, waterfront developments, cruise and ferry terminals, recreational marinas and military installations.

AECOM focuses on applying the right skills at the right time to deliver successful ports and marine projects around the world. Innovation is key when it comes to maritime projects. It has built its reputation on incorporating new technologies in ports projects around the world.

AECOM professionals have helped plan automated container terminals on five continents, and delivered the world's first shore-to-ship power system for marine oil tankers. It integrates innovation into its plans, models and designs, delivering projects that serve its clients today and in the future.

## South African Rooibos IP innovation to be presented at WIPO congress in Geneva

*Continued from P21*

that South Africa and its local manufacturers now have exclusive ownership of Rooibos and Honeybush trademarks and IP, and that these names will only be applicable to products that come from South Africa, which are officially approved by the DTI, guaranteeing quality control," says Strydom.

The DTI has also since then declared Rooibos and Honeybush as prohibited marks under South Africa's Merchandise Marks Act, making unauthorised use a criminal offence. Traditional Knowledge legislation, which is in line with the Nagoya Protocol, is also currently being promulgated in South Africa.

Strydom says it's Audacia's aim to bring something new and fresh into the overtraded wine, cider and beer industries.

"Rooibos is an iconic local phenomenon and we're proud to be

using its incredible natural properties to create a range of original and distinctive alcoholic beverages, that are healthier as well. Our innovation is also significant from a sustainability perspective, as we use a byproduct of the Rooibos and Honeybush tea industries, (chipped wood stems) for use in making wine, beer and cider. It replaces expensive imported oak wood derivatives like staves, chips, powders and liquid tannin extracts.

"We are totally committed to creating and maintaining a sustainable future for all South Africans, operating in these industries. We seek to achieve the aforementioned objectives by sharing this intellectual property with all South African alcoholic beverage producers, thereby giving them the ability to be able to produce unique patent protect-

ed products, with 'real', unique customer value propositions, that they will be able to promote under license for the duration of the respective intellectual property terms, in the jurisdictions where the patent is registered and in force, says Strydom.

In addition to the exhibition, South Africa will also be hosting a grand reception in Geneva at the General Assembly, which will be opened by South Africa's Permanent Representative to the UN in Geneva, Nozipho Mxakato-Diseko. The theme of the reception is "South African Treasures". As part of this event, all delegates will be gifted with a bottle of Audacia Rooibos Wooded Wine – a "No Sulphites or Preservatives Added" Shiraz 2014, as well as Rooibos tea and skincare products from Annique Health and Beauty.

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## Safe handling, storage of LPG and flammable gas cylinders

HOME owners and businesses that have LPG or flammable gas cylinders on their premises must not only have the necessary safety systems in place to deal with any gas leaks, but must also be aware of the necessary regulations and bylaws pertaining to gas cylinders.

Despite many home owners and businesses utilising gas, whether for cooking and heating or hot work, many are unaware of safe handling and storage practices, and also do not have any kind of disaster management plan in place in case of any emergency, ASP Fire Michael van Niekerk comments.

"Local emergency services bylaws state that home owners or businesses cannot store more than 100kg of LPG gas without an appropriate certificate. Bulk gas storage such as for industrial businesses requires specific approval from the local authorities on submission of a rational design," van Niekerk highlights.

The obvious danger of dealing with gas is any kind of leak due to faulty equipment or mishandling and incorrect storage. If the gas leak is sufficiently large, a highly-flammable gas cloud will form. Largely invisible, this gas cloud will ignite in the presence of an ignition source, resulting in a major explosion.

"This is where the disaster management plan comes into play. It is incumbent upon you as business owner to inform your neighbours of the unfolding emergency, and to instruct them to turn off all electrical appliances. This will limit the ignition sources that can set off a spreading gas cloud, and thereby prevent the propagation of any fire," van Niekerk stresses.

In the event of a piped gas leak, the best approach is to simply turn off all valves. Here it is important to note that it is mandatory for all bulk gas installations to have two shut-off valves, one within the hazardous zone and the other just outside it.

With regard to gas cylinders, the best approach to contain any gas leak is simply to turn off the regulator – even if a fire has already broken out. "In the event of a robust fire spreading out from a gas cylinder as the source, the quick-thinking owner can prevent a potential catastrophe by simply immersing the cylinder in a swimming pool, tank or sink," van Niekerk notes.

Another critical safety factor in terms of gas cylinders is to protect

these from any external heat sources. "Pressure and temperature have a direct relationship in terms of the fixed volume. As the temperature increases, so does the pressure. And if you exceed the maximum temperature that the cylinder is rated for, there will be an explosion," van Niekerk cautions.

There are various ways in which home owners and businesses can identify potential gas hazards in their respective environments. "Frequent checks are necessary to identify any potential ignition sources. Components corrode, become loose and perish. You need to inspect these ignition sources regularly and service or replace accordingly."

Although home owners do not require certification in order to operate gas cylinders, it is of paramount importance that any gas system is only installed by an accredited company, and that the certified installer issues a Certificate of Compliance (COC) for the gas installation. "We recommend that a business owner engage the services of a fire-risk consultant such as ASP Fire to conduct an audit of the premises in order to identify any potential risk factors," van Niekerk adds.

Appropriate handling practices for gas cylinders are: Storing and transporting gas cylinders upright with

a sealed protective cap to prevent any damage and potential leaks in the event that they may fall over; securing gas cylinders securely in a suitably demarcated and protected area; and having the necessary warning and information signage in place. Flammable gases must also be separated from oxidising gases.

Other safety considerations include: Using gas containing an odour-causing substance, which can be detected in the event of any leaks; installing gas detectors in all high-risk areas; and having dedicated personnel trained in disaster management procedures and practices. Local emergency services bylaws stipulate that full evacuation drills be conducted at least twice a year.

"We advise that any business involved with gas welding and cutting processes to implement a hot work permit system," van Niekerk states. "This permit should form part of that business's broader health and safety programme, as it requires a safety checklist to be run through by a competent person in the event of any such hot work taking place. If you do not have this in place, a reputable risk-management consultancy such as ASP Fire can assist with identifying and implementing such a process for all types of businesses," he concludes.

## Unique solution for gas cooling using Steam Max

ACCORDING to Spraying Systems Co., SteamMax nozzles are new, high-efficiency steam nozzles that optimise gas cooling operations and provide a cost-effective solution for plants with available steam. Unlike air atomising nozzles that require compressed air, patent-pending SteamMax nozzles use steam to atomise fluids and slurries. The unique design of the nozzle ensures tight drop size control and precise, efficient gas cooling.

The use of available steam eliminates the need for costly compressed air. With effi-

cient atomisation and fluid mixing, condensation problems that can interfere with drop size consistency are eliminated. Wear-resistant materials ensure long service life. The simple design safeguards fast and easy maintenance

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- **Eliminate costly compressed air, compressors and some process piping**

– Significant reductions in operating costs result when using available steam

- **Simple and economical adjustments are possible should process conditions change** – All spray tips fit on the same size body
- **Maintenance is fast and easy** – SteamMax nozzles consist of only three pieces: nozzle body, nozzle inserts, and gaskets. No special tools are required for installation or maintenance
- **Single source supply ensures optimal**

**performance** – Integration problems are eliminated by purchasing nozzles, injectors, engineering services and/or computational fluid dynamics (CFD) modelling from the same source

Spraying Systems Co. is a global supplier of spray technology. It has a broad product range, ten manufacturing facilities and sales offices in more than 85 countries. Spray nozzles, turnkey spray systems, custom fabrication and research/testing services comprise the 79-year-old company's offering.

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Founded in 1969, Air Products South Africa has built a reputation for its innovative culture, operational excellence and commitment to safety, quality and the environment. In addition the company aims to continue its growth and market leadership position in the Southern African region.

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## Western Cape region set for renewed success under first female's leadership

FOR the first time in Air Products' history, a female has been appointed as a Regional Sales Manager. Nita Müller, who has established a career in the gas industry over the past 21 years, is ready to take on the responsibility of leading the region's performance to new heights. During her 16-years as a Facility Supervisor, she has set a number of benchmarks.

Müller's hands-on approach to safety and quality has not only played a vital role in the facility receiving 11 Noscars (the prestigious international Nascar – Nosa's Oscars) but she also received one of the most prestigious international

awards for an individual at NOSHCON in 2013, Africa's premier occupational risk management event. Another first for Air Products.

The Western Cape forms part of Air Products South Africa's national operations and as a leader in industrial gas manufacturing, supports different industries in the region. With an outstanding track record in safety and quality, Müller is committed to focus on further growth in the area. Air Products hosted a luncheon in Cape Town where Müller assured the media and key stakeholders that they place as much emphasis on customer service, innovation and continuous improve-



*Proud South African Paralympic 2016 medallists. L – R: Nita Müller (Air Products), Hilton Langenhoven, Arthi Govender (Air Products) and Jonathan Ntutu.*

ment as they do on safety and quality.

Air Products says it is also known for their focus on corporate social investment (CSI) initiatives in the communities

in which they operate and has established a long-term relationship with key organisations.

With the latest donation to one of these organisations, the Athlone

School for the Blind, athletes from the school were able to compete at the National Athletics Championships in Bloemfontein earlier this year. Following

their outstanding performance, some of them were selected to represent South Africa at the recent Paralympics 2016 in Rio. Two members of the team, Jonathan Ntutu and Hilton Langenhoven, proudly returned home with three medals.

The company's strategic CSI focus on the youth, education and long-term relationships has also led to the inception of a three-year project, WitnessHappiness. This initiative aims to support Early Childhood Centres (ECD) across the company's footprint in South Africa. The beneficiary in the Western Cape is the Aaron Figaji Crèche in Bellville.

Müller commented

at the luncheon, "Air Products provided me with numerous opportunities over the years to make an impact. I believe in using each and every opportunity in life and would like to do the same in my new position. I trust that my industry, technical and commercial knowledge, coupled with input from my leadership team will enable me to manage the Western Cape region with great success."

"I am accepting this new challenge with renewed commitment and enthusiasm – placing customers at the forefront and focusing on service delivery and growth," Müller concludes.

## Energas adds new Series 10 2" Tank Blanketing Valve to its safety range

A leading supplier of high-end and specialised equipment to the oil and gas industries in Southern Africa, Energas Technologies is proud to introduce Protectoseal's new Series 10 2" Tank Blanketing Valve to the South African market.

Tank blanketing is an important and effective way to prevent fires in flammable liquid storage tanks by controlling the formation of explosive vapours or air mixtures. Blanketing minimises evaporation of the stored product, in so doing, reducing emission levels and product loss. It also protects the tank's contents from external contamination.

Comments Laetitia Botha, Energas Technologies Product

Engineer, "Tank blanketing has always been a staple in our range of safety products. It works on the basic principal of creating a blanket of inert gas in the tank's vapour space to prevent atmospheric air from entering the tank, and so maintaining a non-flammable atmosphere." She adds, "We've stocked Protectoseal products for 10 years and bringing in the new Series 10 2" Tank Blanketing Valve was a great way for us to offer what the Series 20 1" could not provide for larger flow applications."

A blanketing valve regulates the pressure of the inert gas layer on top of the stored liquid in a tank. The valve senses the pres-

sure of the tank blanket and opens to allow in more inert gas when the pressure drops below the set pressure. In response to the pressure then building back up to the set pressure, the valve closes and stops the flow.

The Protectoseal Series 10 Tank Blanketing Valve comprises two separate valves working in tandem. "The pilot valve is controlled by the sensed tank pressure, and, in turn, controls the opening and closing of the main valve, which provides flow into the tank from the inert gas supply," explains Botha. "The main components of the pilot valve are a pressure sending chamber and a poppet, which can move up and down.



*Energas Protectoseal's new Series 10 2" Tank Blanketing Valve.*

The main valve, on the other hand, has a piston that can move to control flow into the tank," she adds.

When the flow of gas into the tank increases the tank pressure above the set pressure, the sense diaphragm is pushed up, allowing

both the stop and the poppet to rise (made possible by the spring force under the poppet) until the poppet reseals. Once this has happened, the dome pressure is then allowed to build back up to the inlet pressure, pushing the piston closed once

more, which ultimately shuts off flow to the tank.

The Protectoseal Series 10 2" Tank Blanketing Valve has a host of features and benefits. The valve is specifically designed for tank blanketing and its pilot-operated design offers a very tight operating band. It boasts the most compact design and fewest external connections of any other pilot-operated valve on the market. It is also field serviceable.

"The valve is available in a range of materials," says Botha, adding, "The metal parts are available in 316 stainless steel and the seals and gaskets are available in Buna-N, Neo prene, Viton, EPDM, Chemraz

or Kalrez. The inlet and outlet connections of the Protectoseal Series 10 are available in many threaded (FNPT, DN PN16, DN PN10), and flanged (ANSI, DN, FF, RF) combinations. The Series 10 conforms to the latest European ATEX Directive. In the case of applications involving high purity products, Protectoseal Pure-Tech High Purity Blanket Valves are available."

The Series 10 offers two special options, namely status port and single port sensing options. The status port option is primarily used in remote areas and gives an indication of the open vs. closed status of the valve. It offers remote monitoring via pressure transmitter, sounds an alarm when blanketing gas flow is excessive and reduces operating costs by allowing monitoring of blanketing gas usage.

The single port sensing option boasts single connection mounting, eliminates the need for a separate sense-like connection to the tank and efficiently controls tank pressure.

"Protectoseal is the industry leading manufacturer of environmentally sensitive safety products and an important supplier to Energas Technologies' range of products," Botha remarks. "By offering its latest in tank blanketing valve technology, we are able to offer our customers not only a safety-enhancing product, but one that facilitates operational efficiency and minimises wastage. We're delighted to bring Protectoseal's 'big brother' in tank blanketing to South Africa and look forward to facilitating and supporting its successful uptake in this market," she concludes.

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OPINION

A banana-dose of radiation does no harm

Continued from back page



banana, along with other salient facts, such as, for example, that we are all irradiated daily by the sun, by the air we breathe, and by every stone and concrete pillar we may walk past – or in the case of the healthy residents of Paarl, by the great granite outcrop after which their town is named.

So here is the story of the Banana Equivalent dose of radiation, BED for short. A BED is an informal measurement of generally-occurring nuclear radiation

which, to be fair is mentioned in passing by Dr Cramer’s public presentation, but then quickly swamped by more lurid allegations about the horrors of uranium ore than litters most of the Karoo landscape and has done for millennia.

One BED is the radiation one absorbs after eating a single average-sized banana.

In scientific terms one BED is equal to 0.1 micro- Sieverts expressed as (0.1  $\mu$  Sv) – a Sievert being a unit of nuclear radiation,

and a micro-Sievert being one millionth of a Sievert. Thus a BED is a very low level indeed of natural radioactivity. Eating a banana give you just more than one percent of your daily natural exposure to radiation. To give this more context, no harm to humans has ever been seen below 100,000 micro- Sieverts.

Now here’s the thing, Dr Cramer would have Beaufort West residents believe that the 0.833 micro-Sieverts an hour of radiation he measured at the

Average annual human exposure to ionizing radiation microsieveerts (mSv) in a year

Radiation source	World
Inhalation of air	1260
Ingestion of food & water	290
Terrestrial radiation from ground	480
Cosmic radiation from space	390
TOTAL	2420

Source: International Atomic Energy Agency

abandoned uranium mine 40 km from their town signifies awful contamination of their environment. Eight

banana would give you 0.8 microSieverts>

For the scientific-ly-inclined, and those whose common sense is still functioning after Dr Cramer’s presentation, the table below provides an antidote to his slides.

These slides delivered at a public meeting in the town included a six-legged deer, a monster open cast mine mining something or other, scary shots of the exploded Chernobyl power station, of an atomic bomb explosion with a modern city in the foreground ( obviously photo shopped,) of depleted uranium bullets and shells, of a tank riddled with bullet holes, of Pelindaba (which makes and exports nuclear isotopes used to kill cancer cells), and of the low-waste disposal facility at Valputs (140 km from Springbok.)

All designed to scare the pants off the audience. Meanwhile, the chart above shows the annual average radiation dose for a member of the public. Citizens of Beaufort West should relax.

One BED is the radiation one absorbs after eating a single average-sized banana.

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Tel: (021) 700 4300 Fax: (021) 702 4340

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# On protesters and politicians

It was a beautiful spring evening outside the local Pub & Grill, where the local wise men (and others) had congregated as is their habit. We were contemplating the usual unreliabilities of the universe, particularly as pertaining to planet earth, Donald Trump and Jacob Zuma.

"This is what we do," declared Mac the Knife, quoting a character from some television fiction, "we drink and we know things." He proposed that we have T-shirts made to proclaim this to the strangers who enter the local Pub & Grill from time to time.

"Non, non, Mon Ami," protested Jean-Jay, "that one, not on my T-shirt please. For me, you say, 'this is what I do. I drink and I forget things'. Okay?"

It is true that the wise men are sometimes approached for insights on the ways of the world and South Africa. It is also true that our considered opinions have been less than boisterous of late. Except, of course, for Big Ben, who is always boisterous.

"What's the matter," he enquired, "your party did well in the local elections so, to you, the future should look bright."

"Harrumph," disagreed Luke the Dude, "our party has become part of the problem. Look at what that Patricia de Lille has gone and done. Appointed a poo thrower, you heard me right boys, someone who dispensed human excrement in public places, to a job in the Cape Town municipality paying more than R700'000 a year. Did I vote for that?"

"Well my boy," updated Colin the Golfer, at least Mmusi Maimane told her to get rid of the odious fellow, which shows better sense from the national leadership than from the Cape Town poo crowd."

The Prof was not convinced. "Maimane, I don't know," he said while lighting his pipe. No-smoking laws have not reached the local Pub & Grill. "Sometimes he impresses me; other times I despair. Look at what he said when he was courting Julius Malema's gang before the elections. Julius would only co-operate on a list of conditions, one being the removal of the English and Afrikaans sections from the national anthem. Fair enough for an extremist who never gave a thought to reconciliation between South Africans, but would you know, Maimane also had a problem with the current national anthem. Of course, nothing has happened as the EFF formed no coalitions, but it makes one think, doesn't it?"

"That one, I too keep an open mind about him," Jean-Jay grinned, "but it is that other one that is a reason for joy and festivities, the Lavender Lover, the Pinocchio of Promises, that one, Marius Fransman, he has finally gone to, what is it you say, his well-deserved fate."

"Yes, one of his own making," concurred Bob the Book, "and so does the million-dollar man, saviour of the ANC, the soccer boss Danny Jordaan, who has not been seen anywhere near City Hall in Port Elizabeth after being dumped as mayor of the metropole. Leader of the opposition not fancy enough for him. So the cadres have 'redeployed' him. Nogal to ensure ANC victory in the 2019 general election. Good one!"

"Useless!" explained Jon the Joker. "Cad-

res! ANC! Useless! The campuses are burning and what does the ANC do? Nothing. They say a lot, oh yes, making speeches left and left on how naughty the students are but do they actually DO something? Oh no. Ma Max Price, Eve Habib and Grim Wim De Villiers have to do the job. Useless!"

"Quite true," conceded The Prof, "the ANC does have a very poor record on the education of South Africa's people."

"Exactly!" expanded Jon the Joker.

"Who propagated the slogan 'No Education Before Liberation' in its various iterations? The ANC did. Who encouraged pupils to chase their well-qualified white teachers off the school yards? The ANC did. Who instigated the burning down of schools? The ANC did. Schools built by the apartheid regime; destroyed by the ANC regime. And when schools are still burnt down in 2016, by pupils learning from the example of their parents, the ANC is all hurt and outraged. Useless!"

"Sad but true," said The Prof. "And as in 1976, we are again, 40 years later under an ANC government, facing the prospect of a lost generation of uneducated young people, unprepared to hold a job. School books don't arrive, are dumped, are destroyed, while unionised teachers don't show up for work, refuse to do afternoon duties such as sport, seduce the children in their classes and sell jobs."

"No wonder then," added Bob the Book, "that the children drop out along the way. And even those who make it, against all the odds, to tertiary education have their hopes and futures threatened by the criminal mobs roaming the campuses to disrupt, intimidate, destroy and burn."

"I do not agree," opposed Big Ben. "Those protesting students have legitimate grievances and they have a right to state their views."

"Oh 'state' nogal," dramatized Bob the Book. "Yes, Ben my dear fellow, everybody has a right to 'state'. But there is some distance between stating and breaking. Breaking statues, breaking paintings, breaking buildings, breaking vehicles, breaking the law, breaking as far as they go. Nobody has the right to be a criminal. Or to suspend the rights of others."

The Governor, always intent on maintaining a spirit of bonhomie and the milk of human kindness in his pub, noticed with concern that Big Ben was swelling to his full height near the ceiling fan while Bob the Book was catching his breath to continue in the same vein. So he hi-jacked the subject: "What are you reading, Bob, if you don't mind me asking?"

"Oh," flustered Bob the Book, having to change subjects mid-thought, "this is another bestseller by Prof Jared Diamond, published by Penguin. He is a winner of the Pulitzer Prize, you know. This

one is called Collapse. It investigates how societies fail or survive, from superpowers like the Romans to the people of Easter Island, who disappeared off the face of the earth after erecting those massive stone heads staring out over the ocean."

"But those statues could not have been made by primitive islanders without modern tools," objected Big Ben, not quite ready to give up the fight. "They are the products of extra-terrestrial visitors, from other planets. Many experts say so."

"Those are not experts, they are sensationalists seeking to make a quick few dollars from gullible people," retorted Bob.

"Interesting," interrupted The Prof, getting tired of the banal bickering by Ben and Bob. "Does it tell us anything useful about our own situation?"

"So it does, yes," replied Bob the Book, warming to the subject. "After studying a wide range of collapsed societies, Prof Diamond reaches some conclusions. For instance, an eventually fatal conflict of interest may develop when the elite, with the power to make decisions, place their own interests above those of the rest of society. If they can protect themselves from the destructive results of their actions, hey, nothing stops them from enriching themselves while the rest of society has to pay the consequences. Examples are the Trujillo dictatorship of the Dominican Republic and the governing elite of

## OPINION

### ON THE CONTRARY



Pieter Schoombie

Haiti. "Throughout recorded history, actions or inactions by self-absorbed kings, chiefs and politicians have been a regular cause of societal collapses," writes Diamond.

"He mentions the Maya kings, the Norse chiefs of Greenland and the modern politicians of Rwanda."

"Hmmm," pondered The Prof, "and you are saying that we are experiencing something similar here in South Africa, today?"

"Well, said Bob the Book thoughtfully, "think about Nkandla, think about that deal that bought South Africa useless European locomotives, think about the massive corruption of the Arms Scandal, consider the large-scale looting of state resources and the tender corruption. Then make up your own mind."

E-mail: noag@hermanus.co.za

## A banana-dose of radiation does no harm

The determined attempt by Green activists to convince the people of Beaufort West that they will be dangerously irradiated by a uranium mine, which may or may not be opened 40km away, is something to behold, and is an object lesson on the power of propaganda to convince people with, in this case, a selective use of science.

And make no doubt about it, it is a propaganda assault on their hearts and minds, and a professional one at that, skilfully orchestrated by an imported German expert in the dark arts by the name of Dr Stefan Cramer.

Dr Cramer was hired by a body called the Southern African Inter-faith Environment Institute whose patron is the retired Anglican Bishop Davies.

Dr Cramer is in South Africa on a work permit which is up for renewal at the end

### THE OTHER SIDE OF THE COIN



Keith Bryers

of this year. Meanwhile, he is certainly giving his money's worth for his sponsors, attracting headlines with the clever slogan, "Uranium is the dirty underbelly of the nuclear industry" and a barrage of scaremongering designed to terrify, and quite intentionally, to recruit new true believers to the cause of anti-all things nuclear, and the horrors of all nuclear radiation, however small.

The brilliance of all propaganda is to mix truth with mendacity. The tone and spirit of a public presentation given by Dr Cramer, is fraught with such a skill, re-enforced with the deep sincerity of an evangelist preaching in a great tent in the American Mid West.

What the good citizens of Beaufort West were not told is the story of the common

Continued on P31

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