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CAPE Business News

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Stellar on the move

Stellar Capital Partners is looking to buy assets from Prescient and sell a 51% stake in Tellumat.

Africa's fastest computer launched

The launch of this super computer will improve SA's competitiveness in the R&D space.

Speed is a product

Efficiency is often based on how fast our service has been.

Current profits buoyed

THE tide still favours the local fishing sector with all four major companies based in the Western Cape once again netting impressive profit hauls.

'Big fish' Oceana reported a whopping 76% growth in operating profits to R269m in the half year to end March. The top-line was skewed with the recent acquisition of US-based fish oil and fish meal specialist Daybrook Fisheries, which pushed revenue up 40% to R3,6bn. Gross profits were up 38% to R1,34bn with the gross margin reassuringly steady at 36%.

If Daybrook was excluded, then Oceana's revenue – anchored by its Lucky Star canned pilchards' operation – would have been up 13% to R2,9bn and operating profit would have increased 16% to R437m.

Oceana CEO Francois Kuttel said local sales volumes for Lucky Star were up 13% and overall volumes up 10% with the brand gaining market share in key regions. The Lucky Star improved its market share in the 'inland regions' by 7% to a commanding 80,9%, while the market share in the Eastern Cape shifted up 3,5% to 83,6%.

Kuttel said the pilchard canning effort was greatly helped by a significant increase in frozen volumes to local factories. He said Lucky Star increased local canned production from 2,5 million to 5,2 million cartons thanks to the increase in frozen imported pilchards. Kuttel said there was also a material improvement in pilchard landing due to a quota rollover from 2015 season.

Looking ahead, Kuttel said Lucky Star's prospects were bright as fish was becoming more affordable compared to total food and non-alcoholic beverages. He said Lucky Star had managed to pass a price increase of 6% effective from April, and that an October price increase was under review depending on the Rand exchange rate. Kuttel said there was a strong promotional campaign undertaken by the company to draw market share from the chicken industry - which is still perceived as the cheapest form of protein by consumers.

Premier Fishing, which is controlled by empowerment company (African Empowerment Equity Investments (AEEI) reported revenue up 22% to R170m and operating profits up 21% to R22,5m in the half year to end February. More impressive was that Premier's cash generated from operations was up almost fourfold to R24m. Premier has a dominant 60% share of the South Coast rock lobster market – but also catches West Coast rock lobster, anchovy, pilchards, squid and hake as well as operating abalone farms.

AEEI CEO Khalid Abdullah said the fishing business was being positioned for growth over the next three years to unlock shareholder value and raise capital to invest into the future growth of the business.

He said key deliverables to grow the business includes the acquisition of small to medium fishing businesses and the expansion of the abalone aquaculture farm in Gansbaai to over 250 tons. Abdullah said Premier Fishing's target was to grow annual turnover to at least R500m.

Cape Town's hake fishing stalwarts I&J and Sea Harvest also enjoyed sizeable profit catches despite facing some operational headwinds. I&J, controlled by consumer brands conglomerate AVI, reported a 1,9% increase in revenue to just over R1bn in the half year to end December. But operating profit was up 63% to R160m with the profit margin fattening markedly to 16%.

AVI directors said I&J's revenue growth reflected the benefit of the weaker Rand on export sales and selling price increases. Profits were helped by the lower fuel price, improved fishing recoveries, additional fishing days (after commissioning new vessels recently) and improved fishing recovery. I&J said it had increased its market share from 44,2% to 46,1%.

I&J said its project to expand its abalone aquaculture to 500 tons was proceeding well.

Sea Harvest, which is controlled by Brimstone Investment Corporation, saw operating profit before interest increasing by 11% to R122m in the year to end December. Revenue was 1% higher than prior year despite a 5% reduction in catch volumes. Sea Harvest noted fishing conditions were very challenging - especially in the second half of the year. But prices for hake remained strong and there was a 10% volume growth in the export market where demand was high.

Sea Harvest continued with its capital investment programme by converting an existing trawler to a freezer trawler as well as upgrading its fresh fish plant. The company pointed out that in the last two years over R200m has been invested in vessels and plant upgrades.

Oceana's hake business – much enlarged after the Lusitania and Foodcorp - also looked in fine fettle with good volumes reported and revenue boosted by the weaker exchange rate. Kuttel said profit "materially improved" on the prior year and anticipated continued product demand with exchange rate weakness further contributing to revenue growth.

He said Oceana was exploring Asian markets for its hake haul.

Famous Brands' chip off the old block

FISHING giant Oceana has honed its focus on its core seafood operations with the sale of french fry operator Lamberts Bay Foods (LBF) to fast food conglomerate Famous Brands. LBF sells mainly to wholesalers, retailers and restaurant chains, and is only one of three french fries manufacturers in South Africa. The business has supplied product to Famous Brands - which owns Wimpy, Steers and an array of other eateries - for the past 20 years.

Ironically LBF was started by Oceana in 1995 as a social responsibility project to offset job losses resulting from the decline in fishing employment opportunities in the Lamberts Bay region. The project morphed into a viable commercial operation – and ranks as the single largest employer on the West Coast north of St Helena Bay.

Oceana CEO Francois Kuttel said the motivation to do this transaction was tacit recognition of Famous Brands' ability to maintain and grow LBF in line with their core business.

"The acquisition strengthens LBF's potential for growth and enhances the long-term certainty of product off-take that only a company of Famous Brands' market leading position can provide."

Currently LBF processes around 24,000 tons of potatoes a year. Kuttel said the considering Famous Brands' extensive experience in managing supply chain businesses, there was confidence that they would manage to unlock further value for all stakeholders.

Famous Brands CEO Kevin Hedderwick said Famous Brands' management had set an audacious operating profit target of R1bn by February 2018. "The LBF acquisition will make an important contribution to achieving that goal."

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South Africa remains an attractive investment

INVESTORS generally, but South African investors in particular, should not lose sight of the fact that South Africa remains a highly attractive — and sound — investment destination. That's the view of investment specialist, Thomas Stringfellow, MD of Stringfellow Investment Specialists.

"South Africans often seem to suffer from negativity, which leads them to believe that their politicians and political leadership are more corrupt and inept than those in other countries. But show me one country with political leaders who do not face severe internal challenges, and whose policies are not under constant challenge," Stringfellow argues. "Unfortunately, public life at present seems to be highly polarised everywhere. One thing is certain though, South Africa has faced similar challenges in the past and found a solution — we will do so again."

South Africa is a robust democracy, and there are grounds for optimism in the fact that our institutions, such as the courts, are getting better at holding the executive to account. Politicians and governments exist to serve the people, not the other way around, and even the most seemingly entrenched political orders are vulnerable to the wishes of the people, especially in a democracy.

Stringfellow adds that most people want the same things — safety, the chance to share the fruits of prosperity, a bright future for their children. They will make sure they get a government that will give that to them. The past will become less important than the future.

In other words, the current status quo is not permanent. South Africans should take their eyes off the troubles of the present and begin to plan — and invest — for the long-term.

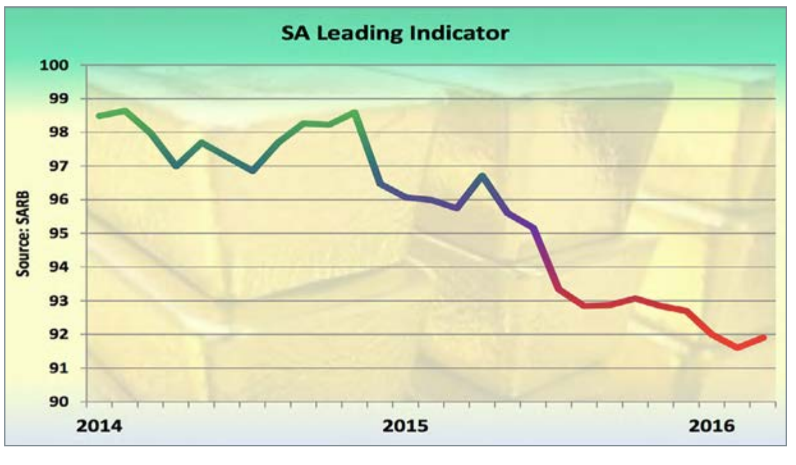
"We need to market our beautiful country to the world and we need to stop thinking that only our country has problems. Every country has problems. Instead, we need to focus on solutions to our challenges," Stringfellow says. "If we don't look to the future, we will miss out."

He points out that in 2001, a similar mood of doom and gloom pervaded the country. Crime was a major cause of dissatisfaction, and the political climate was noxious. The rand plummeted, and there was rush to move capital offshore. Talk was that South Africa was set to become the next Zimbabwe, and the future looked bleak.

"Well, what happened was that those who invested offshore lost money, while those who kept their money in South Africa benefitted hugely from booming property and stock markets," Stringfellow notes. "People who invested in South Africa made a fortune. Is history repeating itself now?"

The figures bear him out. Based purely on growth, between the first quarter of 2006 and the first quarter of 2016, the JSE All Share Index grew by 439%, much higher than the 68% of the Dow Jones Industrial Average.

"South Africa remains a country of massive potential. Of course we have significant problems, but time has shown that we also have the capacity to solve them," Stringfellow concludes. "Time has also shown that those who are prepared to invest in this country are well rewarded. Failure is not something governments impose on their citizens; rather, success is something that a country's citizens create."



South African business cycle indicator may signal turning point

THE composite leading business cycle indicator compiled by the South African Reserve Bank (SARB) increased by 0,3% m/m in March 2016. This was the first monthly increase since October 2015 and may signal a turning point in the business cycle, although it would need to be confirmed by a sustained rise in the indicator in subsequent months.

Four of the nine component time series that were available for March 2016 increased, while five had a negative impact. The largest positive contribution to the movement in the composite leading indicator in March resulted from an increase in the US dollar based export commodity price index. This indicator will have improved further in April and May, so that is a very positive development for the leading indicator going forward. In addition there was an acceleration in the six-month smoothed growth rate in the real M1 money supply as it is money that makes the world go around and encourages economic activity.

On the negative side, the largest negative impacts in March came from a drop in the number of residential building plans passed, followed by a deceleration in the twelve-month percentage change in job advertisement space. The latter may be overstating the negative impact as job recruitment moves from print media to the online space, but this is a difficult call for the business cycle analysts to make.

Although the South African economy continues to grow, the business cycle section of the SARB said that the economy officially entered a downward phase in December 2013, the month South Africa's icon, Nelson Mandela died. In this case a downward phase means that the economy is increasing at a slower rate than its long-term growth trend, not that economic activity is declining.

South Africa, like the United States, uses at least 20 different indicators to determine business cycle turning points, rather than just saying two consecutive quarters of contraction

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Brimming with confidence

CAPE Town-based empowerment group Brimstone Investment Corporation has celebrated its 20th anniversary this year – marking the remarkable journey from a community-based initiative with start-up capital of just R3m to a JSE-listed counter with assets of over R7bn. What's perhaps more impressive that from this humble beginning Brimstone now employs more than 3,500 employees in its subsidiaries and in excess of 24,000 in its associates and investments. Two decades is quite an achievement considering that many of the empowerment companies – including New Africa Investments (NAIL) and Real Africa Investments (RAIL) – have fallen by the wayside.

In Brimstone's annual report co-founders Fred Robertson and Mustaq Brey reiterated the company's purpose was enshrined in a philosophy based on three founding principles – "to be profitable, empowering and to have a positive social impact on society."

While Brimstone has delivered (in bucketloads) on all three tenets, both Robertson and Brey conceded that in a period of extreme uncertainty on various fronts – including economic, social, political, technological and the natural environment – it became more challenging to deliver on the philosophy.

Anyone reading Brimstone's annual report would perhaps disregard Robertson and Brey's cautious note – especially the segment that outlines the major events that shaped the company over the last 20 years. These serve as a timely reminder that companies do indeed suffer the "slings and arrows of outrageous fortune" – but those that stick to a disciplined game plan usually win in the long-term.

Brimstone – after Robertson and Brey convinced local communities to part with a dollop of their hard earned savings – clinched its first transaction when it made a R7,5m investment in fishing group Oceana Group. This investment turned out to be an anchor investment, and one that still fortifies Brimstone's investment portfolio to this day with a gross value of more than R2bn. Robertson points out that the initial purchase price for Oceana was 275c, and that 20 years later dividends received from the fishing company amounted to 365c/share.

In its second year of operation, Brimstone raised a further R13m from share holders and acquired stakes in Cape Town-based businesses like Plessey Cellular, broadcaster KFM Radio and assurance company Norwich Holdings.

In 1997 Brimstone raised R45m from previously disadvantaged shareholders as well as another R104m from institutional investors. In 1998 another R85m was raised through various share issues, which helped Brimstone build an asset base of R300m and successfully apply to list on the JSE. The stake in Norwich was sold for a profit of R21m, and clothing manufacturer House of Monatic was acquired from the late Doug de Jager's Lenco Holdings. A number of non-core assets were sold to raise R62m, which allowed Brimstone to fund investments in hake fishing business and chicken eaterie group Nando's.

Tough market conditions heralded in a tough 1999 for Brimstone – so much so that Brimstone's directors opted to return 150c/share to shareholders. But it did acquire a 30% stake in short-term insurer Lion of Africa and appoint respected academic Jakes Gerwel as chairman.

The new millennium ushered in some testing times for Brimstone as some investors interpreted the return of capital in the previous year as a sign of capitulation. But Brimstone soldiered on, acquiring a stake in Peoples Bank. The company also sold its stake in KFM and started BrimEquity – a joint venture with Coronation Capital.

Things did not get any easier in 2001. Brimstone – in a bid to hone its investment focus - disposed of certain property investments and mobilised the funds to increase its stake in Sea Harvest. At one point Brimstone's shares dropped so low on the JSE that the company's market value slipped below R40m.

In 2002 Brimstone's stoic resilience started to pay off, and a maiden dividend of 4c/share was declared.

In 2003 the stake in Nando's was sold while a 25% stake in packaging group Lenco was acquired for R52m and the stake in Sea Harvest doubled to 21,52% for R85,3m.

There was not much corporate activity in 2004, save for the fact that Brimstone successfully bedded down its newer investments.

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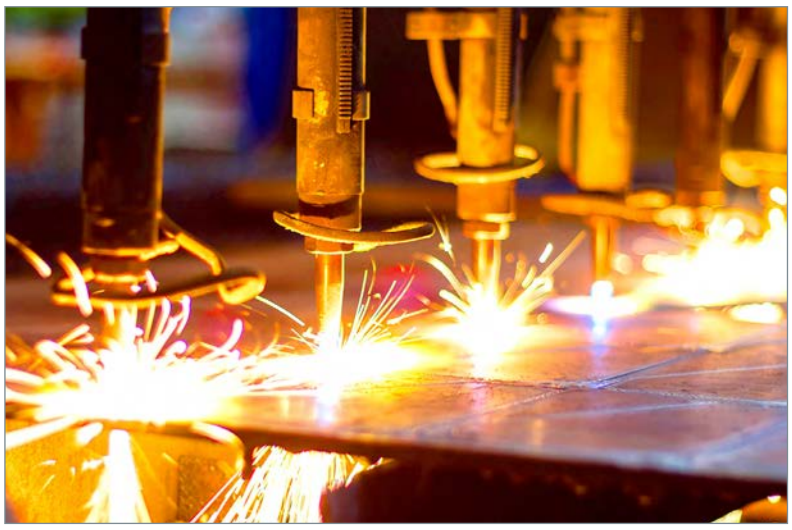


Stellar on the move

CAPE Town-based investment firm Stellar Capital Partners (SCP) – which spearheaded by deal-making whizz Charles Pettit and retail tycoon Christo Wiese – looks ready to rumble.

Stellar – at the time of going to press – was looking to buy certain financial services assets from Steenberg-based Prescient and had just clinched an agreement to sell a 51% stake in Retreat-based technology manufacturer Tellumat to empowerment group Masimong Technologies for R180m.

There is not too much detail on the negotiations with Prescient at this point, but Stellar's deal with Masimong revealed some interesting detail around Tellumat – most notably that the technology solutions and services company had recorded revenue of R551m and operating profit of R30m for the 12 months to the end of September 2015.

The shift into financial services (remembering Stellar also has control of Cape Town-based asset manager Cadiz) and sale of the majority stake in Tellumat – at face value – signals a shift away from industrial activities by Stellar. But that might not be the case. The Tellumat deal was necessary to ensure the company's empowerment credentials were at the appropriate level to continue servicing lucrative state and parastatal contracts.

What might also reinforce Stellar's position in the industrial sphere is whether it takes advantage of the tough trading predicament faced by its 34% owned associate Torre Industrial.

Torre, which was build up by Pettit from a single crane hire operation into a diversified industrial dynamo, is now grinding along in some harsh trading conditions.

A recent trading update covering the year to end June advised that earnings would be lower than last year after Torre experienced disappointing trading results for the four months ending April - including the traditional slow month of January as well as the Easter period.

Pettit reported that the weaker trading performance was primarily due to the challenging operational environment for industrial groups - including weak commodity prices, low business confidence and a volatile exchange rate.

He added that Torre had focused on the consolidation of its business and had not completed any material acquisitions in the current financial year.

Petit said unit sale volumes in the consumer businesses were also down compared to prior periods. He said cost-optimisation measures had been implemented across the company – especially in the under-performing business units.

The billion rand question now is whether Stellar might pounce on Torre in its moment of weakness, pitching an offer to buy out the shares it does not own in the business?

Last year Torre had a market capitalisation of over R2,5m, but a drop in its share price has seen its market value reduced to closer to R1,3bn.

Whether this lower valuation will entice Stellar to make a move on Torre remains to be seen.

New mobile tank cleaner from Spraying Systems Co.

TankJet M60 mobile tank cleaner for the fast and powerful cleaning of barrels, drums and other vessels.

SIMPLIFY and accelerate barrel cleaning without compromising cleaning quality with the TankJet M60. It's mobile, provides powerful, fast cleaning at low flow rates to prevent toast removal and more. The system is easy to operate and rebuild.

It offers powerful cleaning using low flow rates and removes tough residues quickly and effectively, with its solid stream sprays that rotate in multiple axes for complete and thorough coverage. It is extremely compact, fitting into openings as small as 44,5mm and can be easily inserted into standard bung hole openings.

Its mobility allows the user to easily move the system from one barrel or drum to the next. It has a fast cycle time (less than five minutes) with one full cycle completed every 16 revolutions. The TankJet M60 is compatible with a variety of pumps including pressure washers. It iss non-lubricated air motor driven for continuous and reliable operation.

Spraying Systems Co. has ensured that the TankJet M60 is constructed to last, and has used 316 stainless steel, carbon graphite PTFE filled PEEK, EPDM, and PTFE to withstand the rigours of fluid contact.

Spraying Systems Co. is a global leader in 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.

The benefits of active asset management

THE needs and requirements of both property owners and users are continuously changing. These changes are driven by advances in technology and an increased understanding of the importance that a working environment plays in the success of an organisation. Commercial property has arguably been the most susceptible to these changes.

Over the years commercial spaces have been shaped by changing needs, from layouts to environmental awareness and topical issues. Office layouts have seen a significant change to a more open plan flexible space; more recently the green building trend has flourished as the world begins to acknowledge the benefits that can be derived from green building features and initiatives. Currently South Africans specifically are adapting to the changing requirements dictated by water restrictions, sky rocketing electricity prices, increased pressure on the grid and load shedding.

In times of changing tenant requirements active asset management remains vital in order to ensure that landlords remain relevant and spaces remain lettable.

The focus of property management should not be on the investment itself, but rather the business of property – rent, management and operating costs. It is no longer sufficient to just be an investor, one has to be smart. With rising operating costs such as electricity, security and municipal rates, it is critical that property investments are managed effectively to retain value. The successful performance of a property portfolio largely depends on how well it supports a tenant in achieving its objectives financially, socially and environmentally.

Horizon Capital, a boutique property firm specialises in local and offshore property investment, management and development. Established 11 years ago, Horizon Capital has become an expert in commercial property. Their recently constructed flagship commercial property, Ibis House, was the smallest 4-star Green Star SA rated building in Africa, which pioneered the way for environmentally sustainable development, proving that green building can be financially feasible on a smaller scale. Horizon Capital looked to green building as a means of accommodating tenants and their desire to reduce costs, improve the operating environment and remain relevant.

In addition to dealing with the ever increasing operating costs, businesses have had to operate under the constant fear of load shedding. This has created an increasingly hostile environment and as a result, landlords have again been put under pressure to adapt their properties to the changing needs of the tenants. This is why Horizon Capital made the decision to retrofit Ibis House with a generator. While not considered to be particularly environmentally friendly, active asset management calls for approaches that ensure that tenants operate in an environment that best assists them in achieving their triple bottom line objectives, not just their environmental goals.

The ability to adapt quickly and efficiently means that Horizon Capital's clients currently experience a vacancy rate of 1,34%, well below the national average of 11,8% and the Cape Town vacancy rate of 7,2% for the fourth quarter of 2015. By carefully managing the balance between environmentally friendlier office spaces and the changing environment of the property industry, Horizon Capital has been able to 'future-proof' its client's properties against increases in utility costs, energy and water supply problems, costly retrofits and more importantly, vacancy.

seraProDos pumps up its offerings

WELL-known by industrial users, sera ProDos SA (Pty) Ltd. has provided equipment for liquid dosing and metering applications manufactured by sera GmbH for 30 years and now looks forward to expanding into other segments of the Southern African market. Recognised for its economic quality designs sera offers a wide range of precision metering pumps as well as complete dosing systems with a wide variety of add-ons and accessories.

Furthermore, the company supplies sera metal diaphragm compressors for the oil-free and impurity free compression of gases in all research and industry applications.

"Last but not least, we offer technical training of both staff and customers as the best way to achieve the results expected from the application of our products," says company spokesperson.

sera ProDos SA (PTY) Ltd. also supplies pre-packaged dosing system modules, which are useful to packaged plant designers and fabricators, and through experience gained in South Africa intends to offer a range of standardised modules for an array of uses. This complements other products including chlorine dioxide generators, polyelectrolyte preparation and dry powder feeding systems.

However, the company's core product is the recently released "controllable" range of metering pumps that provide "plug-and-dose" technology through its configurable multifunctional controller module. All this is complemented by a purposeful customer-care philosophy which now includes direct factory support.

No profit drought for Kaap Agri

KAAP AGRI, the retail conglomerate that targets mainly farming communities, has not seen its earnings dried out by the prolonged drought that has laid waste to swathes of agricultural land.

Kaap Agri retails mainly through its Agrimark stores, but has in recent years diversified rapidly into liquor, convenience and DIY stores as well as fuels sales. The company managed to push up revenue 4% to almost R4bn in the half-year to end March. But a strong effort from management saw the pre-tax margin at a stout 7%, which saw pre-tax profits up 18% to R179m. Bottom line profits were up by the same margin at R130,5m – meaning Kaap Agri has doubled its interim earnings since the R64m reported in the first half of 2012.

Kaap Agri MD Shaun Walsh said the business continued to successfully implement its strategy of growth and diversification. He said this year saw the addition of a number of new fuel service stations as well as the upgrade of certain existing facilities.

Walsh noted that the value of business transacted increased by 4,2% and income by 2,6%. This was during a trading period when inflation was negative - largely due to the impact of lower fuel prices. Interestingly, Walsh noted that if the impact of fuel price movements was excluded then headline earnings would only have increased by 14,6%.

The company, on the whole, looks set to continue its expansionary effort. Walsh noted that the balance sheet was well-structured, and that the ability to gear the business to enable further growth remained strong. Looking ahead, Walsh stressed the trading environment in which Kaap Agri operated remained under pressure.

> Despite subdued consumer confidence, Kaap Agri's core retail business was expected to grow.

"Whilst expectations are that the 2016 wheat season will improve, the agriculture sector is still negatively impacted by last season's severe drought and a cautious approach to expansions and replacements is anticipated."

But Walsh believed that despite subdued consumer confidence, Kaap Agri's core retail business was expected to grow as new and improved offerings become available. The bottom line, though, is that Walsh anticipates slower earnings growth for the next six months.

"But the business remains on track to achieve its strategic medium-term targets."

Efforts to achieve the medium-term targets are being keenly observed by a good number of the investment community as the attainment of certain profit levels could be the signal to list the consistently profitable Kaap Agri on the JSE.

Some observers in the retail sector have speculated whether one of the mainstream retailers might pitch a buyout offer for Kaap Agri before it lists. The main shareholder in the business is PSG – via Zeder Investments.

The art of deal-making

THE sale of Paarl-based liquor company KWV Holdings' operating assets to Vivian Imerman's Vasari Group for R1,1bn is a show stopper of a transaction. Imerman's wide experience in liquor and fast moving consumer goods could add a new dimension of profitability to the KWV operating assets. But there is a fascinating sideshow that is about to unfold at KWV – scripted around the fate of the company's so-called 'heritage assets.'

While Imerman is dead keen on fortifying the operational capacity of KWV's sprawling production facilities, barrels of stock and award winning brands, the SA-born entrepreneur is not interested in the company's 'unproductive' assets. This means KWV will, for now, hang onto its investment properties like Laborie and La Concorde in Paarl, as well as a stunning art collection comprising a wide selection of top local artists.

Although it's virtually impossible to officially value the heritage assets via the KWV balance sheet, a price tag of around R250m has been placed by market watchers on the collective 'heritage assets.'

So what will happen to these valuable assets?

KWV is controlled by Niveus Investments, which – in turn – is controlled by empowerment giant Hosken Consolidated Investments (HCI.) Minority shareholders that make up around 40% of KWV's issued shares are unlikely to want to hold shares in a company comprising a massive cash pile and heritage assets that generate no revenue.

Consequently, speculation is rife that KWV could pay an initial special dividend to its shareholders, after which HCI/Niveus may be tempted to make an offer to buyout the minority shareholders.

Another option is for KWV to commit to paying out the proceeds of the Imerman acquisition – settled on a staggered basis – to shareholders. This may also entail a commitment to sell off the legacy assets. HCI – which has a growing property portfolio – could conceivably make an offer to acquire Laborie and La Concorde. Or the buyout offer could be pitched by Niveus, which has a broad leisure slant via its interests in gaming assets.

The art works could be sold piecemeal – depending on demand for specific local artists – or sold on auction.

HCI/Niveus make an honourable exit from KWV via the Imerman deal, having acquired around 33% of KWV (from PSG controlled Zeder) at around R11/share in 2011 and then increasing its stake to 57% by buying shares at far lower price levels in recent years. The Imerman offer equates to around R17/share with another R4/share attached to the remaining heritage assets.

All in all, the Imerman deal offers a sweet outcome at KWV after five bitter-sweet years, during which the operating performance remained mixed (at best.) The heritage assets will hopefully offer an extra dash of flavor …

Brimming with confidence

Continued from P3

In 2005 Brimstone acquired stakes in Old Mutual and Nedbank as well as a 18% interest in private hospitals group Life Healthcare (owner of the Claremont Hospital and the Vincent Palloti Hospital in Cape Town.) Brimstone also raised R100m in a clawback offer.

A further 10% stake in Oceana was acquired in 2006 for R176m, while the stake in Life Healthcare was increased to 21,9%.

The next year the stake in Lenco was sold for R203m, and a stake of 18% acquired in financial services company Aon Re Africa.

Brimstone also made a surprise pounce on Slat River-based fashion retailer Rex Trueform, snagging an effective 34,6% stake in the Shub family controlled business.

In 2008 – the tenth year of the company being listed on the JSE – Brimstone acquired shares in empowerment company Phuthuma Nathi, and the following year did a flurry of deals that included increasing the stake in Sea Harvest to 75,7%, pushing the stake in Lion of Africa to 74% and securing an option to subscribe for 1% of consumer brands giant Tiger Brands.

In 2010 Brimstone unbundled most of its holding in Life Healthcare to its shareholders as a dividend in specie and also acquired the remaining 26% of Lion of Africa. It also picked up shares in another empowerment vehicle, MTN Zakhele.

In 2011 Brimstone increased its stake in health care specialist Scientific Group to 28,2%. But the key deal that year was the inspired decision to take another 8,5 million shares in Oceana for R382m.

In 2012 Brimstone added to its food basket by acquiring 12,3% of fast food franchisor Taste Holdings. The company also sold another 4.5 million shares in Life Healthcare, realizing R140m. A 25,1% stake was acquired in asset management business Afena Capital.

Not much happened on the deal-making front in 2013, but Brimstone reaped the fruits of its investment strategies with total assets increasing by R1,1bn.

In 2014 Brimstone acquired a 4,97% stake in shipping and logistics giant Grindrod as well as picking up another 1,16 million MTN Zakhele shares and another 1,1 million Phuthuma Nathi shares.

In 2015 Brimstone subscribed for an additional 2,8 million shares in Oceana via a rights issue and acquired another 19,7 million shares in Taste Holdings. Last year also saw the Old Mutual and Nedbank transactions maturing – realising a significant profit for Brimstone. The company also sold out of the Scientific Group at a profit of R44.8m. The shareholding in Grindrod was increased to 6,62%.

Another 1,96 million shares were acquired in Phuthuma Nathi, and a 10% stake in Cape Town-based property group Equites was secured for R350m.

This year Brimstone has continued its energetic corporate activity, selling off its stake in fashion retailer Rex Trueform and proposing a deal to acquire a larger stake in Sea Harvest, which is in the throes of buying outright control of Australian fishing enterprise Marreteram.

This year also saw the retirement of long serving FD Lawrie Brozin, and the appointment of George Fortuin as the new FD. Iqbal Khan – who looked after House of Monatic for years – was appointed as chief operating officer and executive director – signalling that the next generation of Brimstone's prime movers are slowly being ushered in with an eye on the next decade.

South African business cycle indicator may signal turning point

Continued from P2

result in a recession. The last recession in South Africa on that basis took place in 2009.

As these indicators are only available with a considerable lag, it takes up to two years to determine the turning point, so it may only be sometime in 2018 that the South African Reserve Bank is able to say that the South African economy entered an upward phase sometime around March 2016.

The upward phase from September 2009 to November 2013 lasted 51 months, only exceeded by the record upward phase of 99 months from September 1999 to November 2007 when economist Thabo Mbeki was President. In the apartheid era the longest upward phase only lasted 44 months.

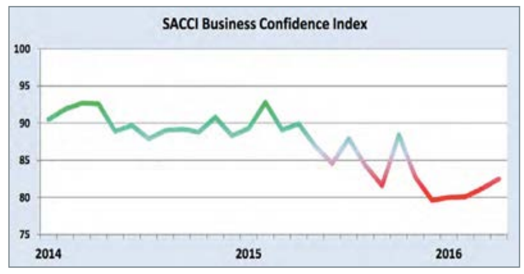
As yet there are few other indicators to show that March may have been the bottom, but the recovery in the rand, business and consumer confidence, as well as a jump in bulk exports, which require a rise in mining production and transport to achieve a near-record monthly tonnage, do seem to corroborate the turn in the business cycle.

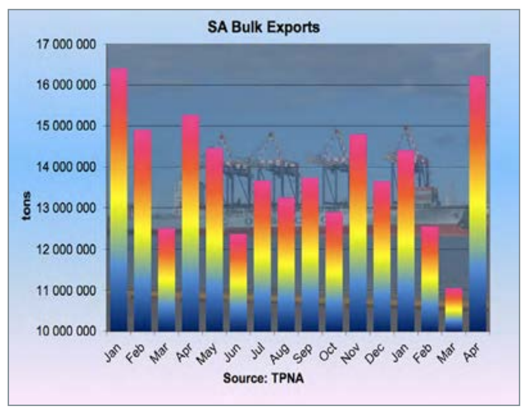
On a trade-weighted basis, the rand bottomed in January 2016 and has since then risen by 8.5%, indicating a recovery in foreign investor perceptions of South Africa as well as an improvement in our terms of trade as commodity prices rose.

The South African Chamber of Commerce Business Confidence Index (BCI) bottomed at a 22-year low in December 2015 and has since risen for four consecutive months.

The most encouraging recent data release was that of bulk exports. This saw a 46,8% m/m jump in April to the second highest monthly total. Saldanha, which mostly exports iron ore, saw a 121% m/m surge to 6,5 million tons, while Richards Bay, which mostly exports coal, had an 18,8% m/m increase to 8,6 million tons.

More corroborating data should be released shortly as mining production would need to increase from the 18% y/y decline in March to provide the coal and iron ore shipped in April. To get these bulk exports out of the ground and to the ports requires electricity, so there would be a rise in electricity production as well, while transport would have benefited from the shipment to the ports. The increase in these services would in turn generate income that is spent in shops. In that way the April data would tend to confirm the recovery and encourage more investment, so Cape businesses can look forward to a brighter future after the recent political turmoil that constrained business optimism.





Consumer credit health deteriorates to lowest levels in three years

HIGHER inflation and interest rates are having an adverse effect on the credit health of South Africans, according to TransUnion's Consumer Credit Index (CCI.) The CCI decreased in Q1 2016 to 46,1, down six points from 52,1 the previous quarter.

The Q1 2016 CCI report indicates that consumer credit health is at its lowest in three years. Consumer credit behaviour worsened in the first quarter, driven predominantly by rising credit defaults, which increased by 1,8% year-on-year. Distressed borrowing indicators were more stable than default measures, although the underlying data still point to financial difficulty.

"Overall, credit behaviour has worsened although the rate of deterioration was not particularly alarming," said Geoff Miller, Regional President of TransUnion Africa. "However, the trend does appear to be negative as the data is illustrating that default rates are rising. How drastic this default cycle becomes, depends on the how long the tough macroeconomic conditions persist in coming quarters."

The CCI report is comprised of three components analysing consumer credit behaviour (borrowing and repayment), household cash flow conditions and debt servicing costs. The report is based on a 100-point scale, where 50 is the break-even level of improvement and deterioration of credit health. A number less than the 50 break-even point shows a decline in credit health.

Household credit behaviour

The worsening macroeconomic conditions in Q1 2016 arguably contributed to the general poor financial well-being of consumers. Rand weakness and

Continued on P27

Ghana Ports and Harbour Authority Director General to deliver keynote at African Ports Evolution

Richard Anamoo, the Director General, of Ghana Ports and Harbour Authority

THE African Ports Evolution West African Edition – endorsed by Ports Management Association of West and Central Africa (PMAWCA) – will take place from 6–7 September 2016. This forum is set at a time when investments totalling US$99,5bn are being pumped into West Africa, to accommodate the mega vessels.

Richard Anamoo, the Director General, of Ghana Ports and Harbour Authority's keynote will deliberate on the key developments at West African ports and the vision for the ports of Tema and Takoradi.

In 2012, he was appointed Director-General of the Ghana Ports and Harbours Authority and has since advanced the course of the entire Authority – including the ports of Tema and Takoradi and the fishing ports.

Currently Tema port is undergoing a US$1,5bn port expansion project to handle three times the current traffic, this will increase the capacity of the port to 3,5 million TEUs. Takoradi Port is currently positioning itself as an oil and gas service hub with this ongoing expansion.

Anamoo has also embraced IT to streamline the port system, implementing the automation of cargo delivery and vessel handling processes.

Anamoo is well grounded in his professional training with a B.Sc [Civil] Eng in Structural and Geotechnical Engineering from the University of Science and Technology, Kumasi, a Diploma in Hydraulic Engineering from the Netherlands, a Certificate in Project Planning and Management, Post-Graduate Certificate in Port Planning and Design from Japan.

He also has a Postgraduate Certificate in Port Planning, Urban Site Planning and Strategic Information Systems from the MIT, USA, and a Certificate in Modernisation of Port Facilities and Management Systems from Japan.

In 2001, Richard commenced studies in Law. In 2004, he received the LLB from the University of Ghana and worked as a private Technical and Legal Consultant for the ports of Ghana, Liberia and Sierra Leone.

The African Ports Evolution – West African Edition will bring together C-level executives, like Anamoo, from across the West African port industry to facilitate the discussion between the private and public sector, to find solutions by Africans for Africans.

To find out how to participate as a speaker, delegate, exhibitor or a association/media partner contact Lauren Hansen on lauren.hansen@portsevolution.com

Cargo Carriers moves forward

CARGO Carriers, transportation, logistics and supply chain service provider, has responded to the South African Government's Broad-Based Black Economic Empowerment (B-BBEE) regulations with enthusiasm and has a host of initiatives in the pipeline. Audit and Risk Manager, Diana Padayachee shares the company's developments and goals.

"B-BBEE regulations actually talk to our company's values, so for us at Cargo Carriers, the regulations align with the Cargo Way. We have been very busy with projects and programs to improve our scorecard and are very proud of our recent rating."

Broad-Based Black Economic Empowerment (B-BBEE) is South African legislation, which seeks to increase the involvement of previously disadvantaged individuals, i.e. people of colour (black, indian, and coloured,) women of all races, and the disabled, in mainstream economy. Companies are scored on a ranking scale of 1 - 8 and scores are based on seven pillars linked to the B-BBEE Codes of Good Practice. In the 2016 verification, Cargo Carriers achieved a Level 3 B-BBEE rating having improved its rating from a Level 4.

There are many attributable factors to this; including the Employment Equity pillar which has improved by a whopping 17%, whilst skills development has increased by 12%.

Valuing the importance of education, the company has placed a strong focus on training of disabled learners and diesel mechanic apprentices at its Cargo Carriers Training Academy, a MerSETA certified Training Centre in Sasolburg.

Upskilling employees is also high on the company's agenda, equipping staff to become decision-makers and hone their leadership skills. An Advanced Management Program for general managers and divisional directors was introduced; as well as the Management Development Program and Introductory Management Development Program, further gearing decision makers and client-facing managers with best-in-class skills. Going forward, the company will continue to boost skills development and training of their workforce.

Procurement continues to achieve high rankings on the scorecard and has been increased incrementally since 2007, whilst the company continues to assist with development of suppliers and subsequently continues to score highly in this regard.

Innovation lies at the heart of the Cargo Carriers Way says the company, and as such, the logistics provider is constantly looking for new and better ways of doing business in order to improve performance. More effective products, processes, services, technologies and ideas are all methodologies the company uses to establish newness and freshness. ESOP, an Employee Share Ownership Programme, is one such concept the company is currently implementing. "Providing shares to our employees is a way of thanking them for their loyal and dedicated service to our company," says Padayachee.

"Again, this talks to our values of loyalty and mutual respect."

Health and wellness of employees is paramount to the company, and programs have been in place for many years to ensure a healthy workforce. These programs now form a part of the Socio-Economic Development rating, which continuously enjoys maximum points on the scorecard.

"We are confident of excellent future rankings on the B-BBEE scorecard," says Padayachee. "We are addressing all sorts of innovative ways to ensure our key stakeholders benefit from the regulations. Our commitment to our customers and Government is unwavering as we transform our business to provide an even better service to all," she concluded.

Plenty space for Ingenuity

WESTERN Cape-focused property developer and owner Ingenuity – which defied sceptics with an inspired makeover of the well known “Newspaper House” building in St George’s Mall – has latched onto another iconic Cape Town property.

The company recently pushed its total property valuation through the R4,2bn mark by acquiring the “Great Westerford” property on Main Road in Rondebosch. The property – comprising office space with a GLA (gross lettable area) of 30,488m² – was best known as the head office for life assurer Southern Life (now part of assurance giant Momentum.)

The price tag was a princely R650m – making it one of the biggest deals undertaken by Ingenuity. The building was recently refurbished, so it will be interesting to see of there are any re-development plans for the longer-term. Although Ingenuity is best known as a property developer, the company does have a substantial portfolio of investment properties as well.

It is not giving away too much around “Great Westerford.” But the recently released financial results noted that of the R128m cash-on-hand available at the end of February 2016, a chunky R100m was earmarked to fund a portion of the “Great Westerford” transaction.

It’s certainly not only the “Great Westerford” building that will be keeping Ingenuity busy in the next few years. Over the last interim period (to end February 2016) the company has been rather active – taking transfer of a handful of new properties. These included “Claremont Central” (situated on the corner of Vineyard and Main Roads) for R85m; “Toffee Lane” in Claremont for R20m; “State House” (situated in Rose Street in the Cape Town CBD) for R35m and the “Ramsay Media Building” in Pinelands for R25,5m.

The big development moment in the past financial year was the completion of “The Aurecon West” development in Century City. The property was transferred to Ingenuity’s investment property portfolio in March with a value of R105m. CEO Arnold Maresky said the “Aurecon” building incurred a total development cost of R98,7m – providing an initial yield of 8,4% with a seven-year lease escalating at 8% per annum.

Overall Ingenuity seems to be churning encouraging rentals with gross revenue increasing 17% mainly as a result of rental escalations and the letting of vacant areas as well as new rentals earned on recently acquired investments and finished development properties.

Maresky pointed out that the ratio of property expenses to gross contractual revenue of 26,9% (down from 27,5% in the interim period in 2015) was due to maintenance and other expenses being well controlled.

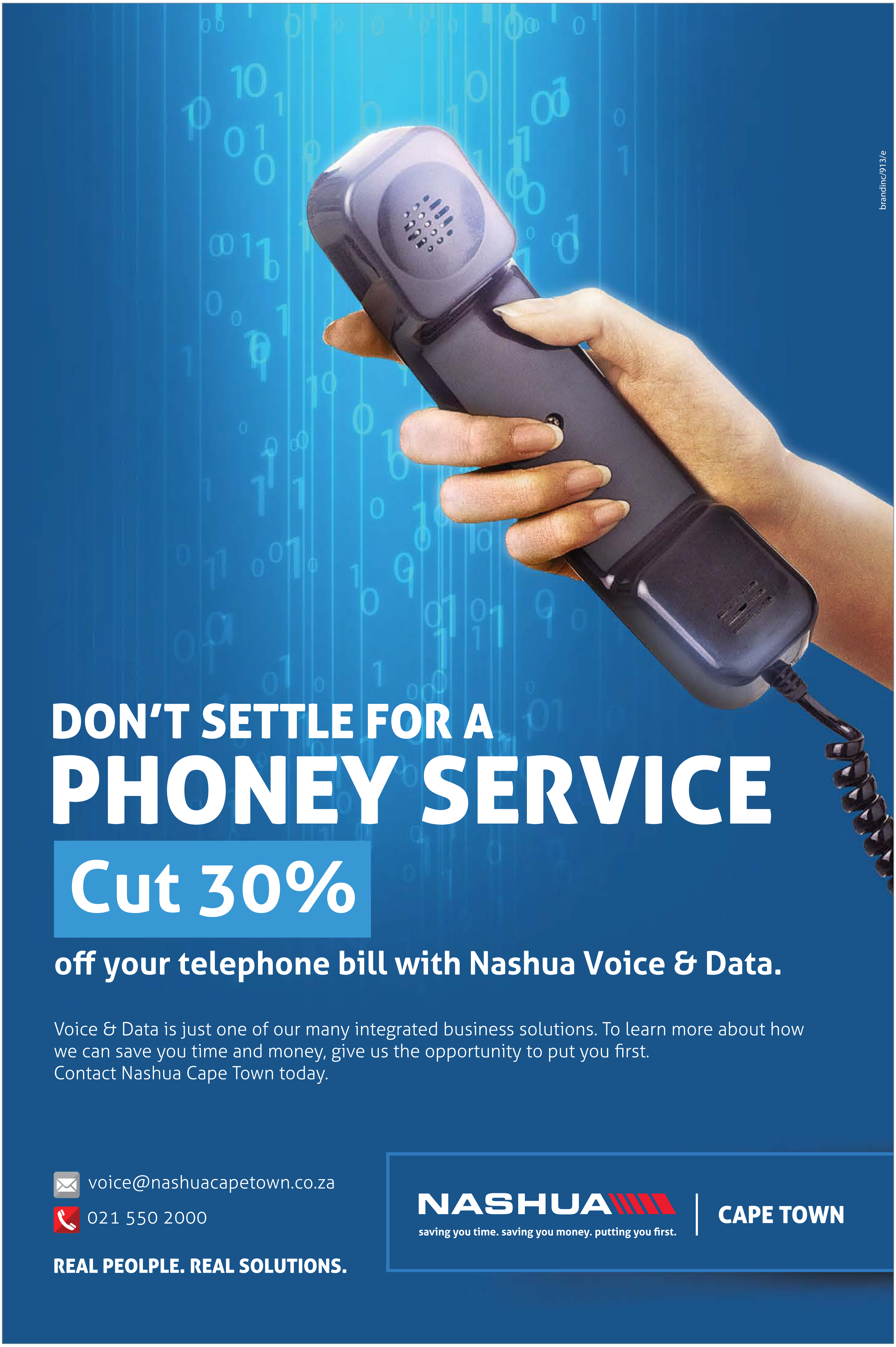
Perhaps most heartening for a company with a substantial development angle, is that Maresky reported that the ‘core portfolio’ vacancy ratio was a mere 2,8% on a portfolio of 174,564m².

Although this is up on the vacancy ratio of 1,9% (on a portfolio of 155,010m²,) Maresky pointed out that the ratio had increased due to certain properties being earmarked to be redeveloped in the short term as well as vacancies not being filled and leases not being renewed on expiry.

“Excluding the development-related vacancies, the operating vacancy of 2,3% is considered to be well below market norms and is attributable to proactive management and the quality of the core investment asset base.”

Maresky added that the lease expiry profile of the portfolio comprised 63% rentals expiring beyond February 2019 – which represented 59% of the GLA.

Looking ahead, Maresky said significant inroads had been made with Ingenuity’s development pipeline over the last 12 months. “We are confident that we will reap the benefits of our efforts over the next few years.”



Africa's fastest computer launched

THE launch of Africa's fastest computer is already improving South Africa's competitiveness in the research and development space.

Dr Thomas Auf der Heyde, the Deputy Director-General for Research Development and Support at the Department of Science and Technology, said this when he unveiled Lenyau (Setswana for 'cheetah',) which is dubbed Africa's fastest computer, at the CSIR's Centre for High Performance Computing.

Auf der Heyde said high performance computing contributes to economic growth.

"For our country to grow at the required rate, as set out in the National Development Plan, it needs to change gear by building capacity in the production and dissemination of knowledge.

"The Centre for High Performance Computing represents a deliberate move by this country to invest in modernising our research and development.

"High performance computing and advanced data technologies are powerful tools in enhancing the competitiveness of regions and nations," he said.

The "super computer" has a processing speed capable of a thousand-trillion floating point operations per second. Floating point operations (or flops) are used in computing to calculate extremely long numbers.

Dr Happy Sithole, the Director of the Centre or High Performance Computing, said by being the fastest computer in Africa, the Lenyau now gives scientists in the research, technology and innovation space an opportunity to conduct their research locally without having to travel abroad for higher performance computing infrastructure.

Sithole said in simple terms, the computer, built in collaboration with Dell South Africa, is approximately 40,000 times faster than the normal Dell i3 processor laptop that is used by many South Africans at home and at work.

"When we started in 2007, we took inspiration from the fastest animals in the land and named our first high performance computing system IQudu, which boasted 2,5 teraflops – which is 2,5 million operations per second.

"In 2009, there was increased demand of computational resources, and a new high performance computing system dubbed the Tsessebe was launched.

"It boasted 24,9 teraflops and became number 311 on the TOP500 super computers, and ranked number one in the African continent.

"The system was later upgraded to 64.44 teraflops," he said.

The super-fast system has already been used in several fields of research – from climate modelling by the CSIR, bioinformatics by the University of Cape Town to material science by the University of Limpopo and astronomy by South Africa's SKA office.

Mary Jane Bopape, a researcher at the CSIR, said the new system has reduced research times on climate modelling that used to take them up to three hours to just under 30 minutes.

"With the new system, we have a lot more processors than we had before.

"With that, we are able to make simulations quicker. The climate change simulations you make are supposed to run over a long time," she said, adding that with the new system, this was no longer the case.

Corobrik's facebrick gives Century City Square a modern look

A mixture of Corobrik's facebrick and paver range has been used in the construction of the vibrant Century City Square, a R1bn project of mixed-use development that forms the heart of the Bridgeway Precinct in Cape Town.

Developed by Rabie Property Group, Century City Square forms the flagship project of the larger Century City development, which is significantly expanding the residential, commercial and retail sector of the area.

Construction began in May 2014, with completion of the Square set for June this year. The area will comprise a 1,200-seat conference centre as well as 12 meeting rooms situated around a business class lounge; a 125-bedroom hotel; The Annex which is 3,500m² of offices over four floors above the conference centre; The Matrix, a mixed-use building with retail/showrooms, three-storeys of offices and 51 residential apartments covering another three-storeys; The Apex which is an eight-storey building made up of 7,900m² of offices, restaurants, bistros and coffee shops as well as a six-floor structured parking building and basement parking garage for 1,330 parking bays.

Paolo Viotti, director of VIVID Architects, explained that the Century City Square would bring new energy and life to the entire Bridgeway precinct.

"This will be the driver and informant for the broader urban design framework which is set

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Process vessel seminar

Learn about new developments in vessel and tank design

JOHN Broli and Paul Whalley of Engineers for Africa (E4A) are presenting a seminar on Process vessels in Cape Town on 23 and 24 June 2016.

It addresses the need for a total design approach and utmost care in vessel design, then proceeds to understand design from the standpoint of the factors to consider and the role they play at each stage of the design process.

This approach emphasises the main analytical methods that provide critical considerations for design. These analyses include systems, scope, information and risk based on sound professional engineering methodology.

No other course covers as wide range of vessel design and far-reaching scope of design content, thus offering a sound introduction to design and materials.

John Broli is an ECSA registered Professional Chemical Engineer with n MBL. He founded Engineers for Africa and has extensive knowledge and experience in the design of pressure vessels, process vessels and reactors.

Paul Whalley is an aeronautical engineer with an MBA. He has more than twenty years of corporate global leadership experience and is MD of Engineers for Africa.

SA businesses expanding offshore to UK

IN the first quarter of 2016 there has been a significant increase in South African businesses looking to expand into the UK and Europe. Scott Brown, MD of Sable Accounting believes that this spike in applications is due to the access to Europe from the UK and the political situation in the country.

"The world is a global village and many entrepreneurs are becoming global citizens, internationalising their businesses, their money and their lives," he adds.

According to Ashley Deakin, COO of Sable International, many successful South African entrepreneurs are currently considering opening branches, subsidiaries or franchises of their businesses in the UK, "It's a good place to do business. There is a stable economy, the country is well-legislated, and there is no corruption," says Deakin.

The backbone of the UK is based on small to medium enterprises (SME's) and Britain is sweetening the deal for business owners from South Africa to open businesses within their borders by offering government grants. The UK Trade and Industry offers free advice and is an excellent source of information and should be the first point of contact for anyone wishing to expand their business to the UK. Britain offers the best corporate tax rate currently at 20% but by 2020, it will be 17% and the lowest in Europe.

"Our experience is that the trend in businesses expanding to the UK are IT software development companies and digital media."

Despite these positive factors, Britain is a complicated place to do business and with stringent international money laundering legislation and control, South African businesses wishing to extend globally have red tape and political obstacles to overcome.

"At the moment British and European businesses want to engage with what they know – companies that conform to the UK's strict tax legislation; the rigorous administration required by the UK gives peace of mind," said Brown.

"If you're based in the UK, Europe is open to you, but in my experience, a non-British citizen cannot even open a bank account without a tremendous struggle. It's essential to work with a company or agency that understands the complex British tax laws, is a partner to negotiate the intricate banking system and is able to offer a high street address - British red tape is onerous to say the least," adds Deakin.

"Once we have assisted in the initial set up, which can take up to six months, we offer the standard business services to a new business, such as accounting, book keeping, pay roll management, and taxes – It really helps a foreign newcomer into the UK market to have a one-stop shop for all their administrative needs," says Deakin.

Deakin gives sound advice for entrepreneurs and business owners who want to expand into the UK and European markets:

- Have realistic expectations – it takes longer than expected just to open a bank account, possibly six months
- Form a UK limited company. The banks prefer to deal with local entities, and UK contractual law binds clients and suppliers.
- The UK processes work – they are efficient, but you have to understand and follow procedures to the letter. Seek assistance from a credible agent to assist you with setting up a business in the UK.

Our clients are global citizens, those people with businesses, properties and investments held in a number of locations around the world.

"We've opened our own offices in London, so understand the complex systems and requirements."

POWER INDUSTRY

Off-grid solutions becoming an important consideration in the power sector

By Rentia van Tonder,
Head of Power at
Standard Bank

SOUTH Africa is currently one of the most attractive destinations for power project developers, sponsors and energy players seeking investment opportunities to support and grow power projects. One of the key drivers for any power sector player remains an enabling environment with long-term sustainability and commitment to enhance and support growth.

The country successfully implemented the Renewable Energy Independent Power Procurement Programme (REIPPP,) which is currently being expanded through a further ministerial determination of 6,300MWs, followed by a baseload coal programme, a small IPP programme, co-generation and the much anticipated gas to power programme (still to be launched.)

However, the development of captive power or off-grid renewable solutions remains an important consideration towards sustainable power and industrial growth. South Africa recorded limited investment in imbedded power to date, however, more recently, industrial players have started to investigate and evaluate opportunities towards self-sustainable power solutions on the back of increased electricity tariffs. The National Energy Regulator of South Africa (Nersa) is currently reviewing legislation to enhance the development of captive power solutions which should support and fast track investment. In many power sector discussions, embedded generation options are often referred to as “disruptive technologies” that could change the electricity landscape of a country through a decentralised diversified model.

With power shortages hampering economic and social development across much of sub-Saharan Africa, new and existing technologies are coming together to allow alternative off-grid solutions to complement the conventional grid system in getting power to the largest number of people quickly.

So much of Africa is remote and rural, the wait for power from the grid can still be decades away. But the same is not true of mobile phone coverage. Most Africans live within the coverage of a mobile phone mast, and with it comes the ability to communicate and to use ‘airtime’ as an alternative means of payment for a number of things, including access to power at the household level. Combining solar power solutions with existing telecommunications infrastructure and technology, linked to the banking system, allows “local” solutions to be one of the quickest and perhaps more affordable in enabling the pay as you go concept for off-grid electricity to the home.

Business models for at home off grid supply have been in existence for some time, particularly in the USA, but this has developed into a complex hybrid solution in the sense that access to the grid is always there, and ability to take or supply into the grid (and pay or get paid for the energy consumed or supplied), in combination with favourable tax treatment has created a complex and competitive market for off-grid power solutions.

Africa differs fundamentally from the USA in the sense that off-grid in its truest sense needs to be just that and affordable down to very low disposable income households. So the cost of the technology at its most basic (a few solar panels, a few light bulbs, a battery and phone charger) has to be reasonable, and be part of the overall budget a customer can afford, and if combined with the cost of a pay as you go or contract mobile phone, is something that should be capable of financing by commercial banks. Once payment histories are known, and hence default rates, banks should be able to lend on a portfolio basis to solar off-grid equipment suppliers, and allow leverage and hence significant growth into the off-grid industry.

At Standard Bank we continue to see potential in developing the continent and facilitating economic growth and we believe off-grid solutions can be bankable if the right partners are found. As these developments help businesses and economies to grow, they also indirectly support regional development. Off-grid can be also be expanded into the retail market, where modular rooftop solar solutions can be rolled out to commercial neighbourhoods, either individually or as collectives.

The benefit of having a presence in 20 countries in Africa is that we are well positioned to use our network to facilitate a number of off-grid solutions and have the experience to create the optimal funding structures that work on the ground. Our extensive branch network could also be used to help drive moves to a mobile phone driven power solution, for example.

These solutions can be used to target African countries with limited power rollout. We just need to get more creative with how we fund these opportunities as the bottom line is: Africa needs power.

Certainly the successes achieved in South Africa’s renewable programme can be replicated across Africa, where opportunities abound for solar, wind, hydro and gas projects, but where only 20% of people are connected to power grids.

There is little doubt off-grid solutions and renewables are set to become a much bigger source of supply in the future, and while off-grid was not a solution three years ago, it is fair to say it is inevitable now as technology and funding mechanisms become more accessible and applicable. Short-term challenges aside, Africa needs to focus on generating power solutions that will be sustainable well into the future. A better mix of power, which will include a raft of off-grid solutions, is the best possible outcome.

New PicoScope 2000 Series oscilloscopes deliver functionality of six instruments

COMTEST Solutions, leading local distributor of test and measurement instrumentation to industry, is pleased to announce the launch of the new PicoScope 2000 models from Pico Technology, UK-based design, development and manufacturer of PC Oscilloscopes and data loggers.

These additions further expand the applications and debug capabilities of Pico’s powerful yet highly portable oscilloscopes.

PicoScope two-channel, four-channel and mixed-signal models have the functionality of an oscilloscope plus a logic analyser (on mixed-signal oscilloscopes ((MSO)) models), spectrum analyser, function generator, arbitrary waveform generator, and serial bus analyser with support for 15 protocols included as standard.

They are USB-powered and come in an ultra-portable package that can be easily transported in a laptop bag.

PicoScope 2000A 2- and 4-channel models are ideal for technicians, trainers, students, and hobbyists doing fault-finding on signals up to 25 MHz. The 2205A MSO has two analog plus 16 digital channels for viewing and making measurements on digital or mixed technology designs.

PicoScope 2000B Series models are equipped with deep buffer memory from 32 to 128 M samples, and bandwidths of 50, 70 or 100 MHz supported with sampling speeds to 1 GS/s, and hardware acceleration to deliver over 80,000 waveforms per second update rates. Like the “A” models they are available in 2- and 4-channel models, plus 2+16 channel MSO versions.

The “B” series models are packaged in the same size ultra-portable enclosure as the “A” Series, making them ideal for use in the lab or on the move, or for fast low-cost shipment to wherever they are needed.

The 2000 Series models connect to a host PC or tablet, and are powered via the USB interface.

They are controlled and operated with PicoScope 6 software that takes advantage of available PC processing power, display, touchscreen and traditional control capabilities. Advanced features such as segmented memory, mask limit testing, advanced waveform math and decoders for popular serial buses are included as standard.

The 2000A and B Series deliver an all-inclusive instrument with capabilities normally found in high-end benchtop instruments, yet they are hand-sized. Engineers and consultants can have a 2000 Series PicoScope as their personal portable waveform laboratory.

PicoScope 6 software, included with the 2000 Series scopes, has been updated with support for touchscreen PCs and tablets, and

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POWER INDUSTRY

Innovation makes microgrid control smarter

IN what the company refers to as a world first, power and automation technology group ABB is making it possible for microgrids to be protected, controlled and managed using smart circuit breakers. A software-based innovation for the company's Emax 2 smart circuit breaker makes microgrid architectures simpler and more cost-effective than ever before.

Microgrids coordinate distributed energy resources, integrating renewables with conventional power sources, networking with the grid or operating self-sufficiently. Low-voltage microgrids are helping accelerate the roll out of renewable energy by integrating small scale wind or solar energy production of up to 4MW with battery energy storage systems.

Giampiero Frisio, Managing Director of ABB's Protection and Connection business says, “This is another technological first for ABB, building on the first ever combined circuit breaker and power manager Emax 2. Innovation is needed to make microgrid installations simpler and more cost-effective, and to help end-users get more value from their investment. By embedding all the intelligence needed to manage a small microgrid safely and productively, Emax 2 delivers a game-changing solution.”

With the addition of embedded functions such as an automatic transfer switch, Emax 2 is now equipped to

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France confident SA nuke power build will push ahead

FRANCE remains confident the South African government will go ahead with its project to build 9,600MW of extra nuclear power generation – despite the huge political controversy surrounding the plans.

Dr. Pascal Colombani, Special Envoy of French President Francois Hollande for the nuclear partnership with South Africa, expects the long-awaited invitation from Pretoria to nuclear countries to submit their bids, to come anytime between now and Spring. He said France had expected this “Request for Proposals” (RFPs) to be issued to France and the other bidding countries by the end of March or beginning of April.

The South African nuclear proposal, which envisages up to 9,600MW of extra electricity being generated by between six and eight new reactors, has reportedly been caught up in the political feud between President Jacob Zuma and Finance Minister Pravin Gordhan who reputedly believes the country cannot afford it.

Colombani would not comment on this except to say he believed Pretoria remained committed to the project, judging by Zuma's remarks in February and Energy Minister Tina Joemat-Petersson's remarks two weeks ago.

Zuma said in his State of the Nation speech, “We will procure nuclear energy on a scale at a pace that the country can afford.”

In her budget speech, Joemat-Petersson last month that the Cabinet had decided to allow her department to issue the RFP.

Colombani and Olivier Bard, the South African project director in France's Eskom-equivalent, electricity parastatal EDF, both said they believed France should be the sole winner of the bid based on the superiority of its bid, technologically and economically.

They stressed the importance of building on the long nuclear relationship France already had with South Africa, having built the country's only nuclear power plant Koeberg, north of Cape Town, in the late 1970s.

They dismissed recent suggestions from Russian nuclear expert Anton Khlopkov, director of Moscow's Centre for Energy and Security Studies, that South Africa should split the contract between more than one bidding country. Khlopkov said that China and other countries had successfully done that.

Bard, who also headed the French programme to build two nuclear power plants in China, said China and India could afford to try different nuclear technologies. But neither France nor South Africa could, as this would add enormous costs to the programme.

Colombani suggested that China had borrowed from the various different technologies it had tried, to develop its own nuclear power generator, but that it was largely based on the French model.

Colombani was asked about suggestions in the South African media that South Africa had already chosen Russia's atomic parastatal Rosatom to build its nuclear fleet, because of Zuma's good relations with Russian President Vladimir Putin.

“I hope the decision will not be made on political grounds,” he said, insisting that if it were made on technical and economic grounds alone, France would win “because our offer will be the best.”

Apart from its technology, France would provide training for about four or five thousand people a year for many years, since the lifespan of a nuclear plant was about 60 years.

This proposal had elicited an “interested response” from the South Africans.

France's offer would also include a target of localising about 40 to 50% of the nuclear work. Colombani said he and Bard had this week meet Small Business Development Minister Lindiwe Zulu to discuss how to involve local small and medium-size businesses in the nuclear power project. French officials said there were about 200 firms which could potentially benefit.

Colombani said South Africa's RFP would also include a proposed nuclear research reactor and so France was developing the nuclear research cooperation which was already underway between major South African and French research institutions.

Like all the other expected national bids, France's proposal for financing the building of the nuclear power plant was based on a mixture of debt and equity, he said.

France was already exploring possible equity partners, both in the private and public sectors, in South Africa and in France.

(Article by African News Agency)

New PicoScope 2000 Series

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colour-keyed serial bus decoding that highlights individual field types in a message frame with different colours for easy interpretation.

New releases of the software, that further enhance performance and functionality of PicoScope products, are posted regularly on picotech.com and are available to download free of charge for the lifetime of the product. In addition to Windows, there are Linux and Mac OS X versions of the software.

The PicoScope Software Development Kit (SDK) enables engineers to write custom applications for the 2000 Series, making them ideal for a wide range of OEM applications such as power system and machine health monitoring, high-energy physics, and medical electronics applications.

The launch of the new 2000 A&B Series products renders the 2205 MSO, 2206A, 2207A and the 2208A products obsolete and these will be discontinued as of 25 April 2016.

Cold Mix alters SA's construction industry

National Cold Asphalt cold mix repairs being undertaken on the N1 highway.

NATIONAL Cold Asphalt's expertise is being put to good use by helping to maintain and build better quality roads. Its labour intensive road construction activities empower previously disadvantaged and impoverished communities, while the use of its absorptive technologies and methodologies ensure sustainable job creation and upskilling of targeted groups like women, youth and the disabled. All of this is aligned to the strategic objectives of national, provincial and local governments' infrastructure delivery programmes.

A key Enterprise Development initiative currently being undertaken by National Cold Asphalt, part of National Asphalt, a division of Raumix Materials, involves developing small and medium sized producers of cold-mix asphalt in peri urban and outlying or rural areas in South Africa. This local manufacturing B-BBEE development model, spearheaded by Strategic Business Development Consultant, Pascal Garrioch, is directly aligned with the newly amended B-BBEE Codes of Good Practice.

Garrioch says that National Asphalt is also working closely with various government funding agencies to help small companies access grants and finance to establish these local manufacturing plants.

Shane Mullins, National Cold Asphalt's operations manager, discloses that the company has already established a four to six ton pilot batching plant in Pretoria, Gauteng, where small, medium and micro enterprises (SMMEs) are being trained to produce cold-mix asphalt.

"This site is a prototype, and the aim of our Enterprise Development Programme is to eventually sell and roll out many small, cold-mix batching plants to qualified and trained SMMEs in all provinces within South Africa and beyond," he says.

In addition to receiving technical training from National Cold Asphalt in the correct and comprehensive operation of the plant, the quality of cold asphalt materials produced by these entrepreneurs will be certified by the company. Importantly, they will also receive the exclusive supply of the company's world class blended bitumen additive, the same one currently used by National Cold Asphalt in its own cold-mix asphalt production processes.

National Cold Asphalt imports its additives from a United Kingdom-based company, Macismo which has been operational for over 25 years and in over 20 countries. Commonly known as MacFix, this additive significantly extends the life of the cold-mix asphalt giving the locally established manufacturing plants a significant competitive edge in the market.

Mullins says the additives used by National Cold Asphalt have extended the shelf life of its cold-mix asphalt by up to two years in storeroom conditions and over 12 months if stored in bulk.

Most other cold-mix asphalts have a shorter life because the volatile organic compounds escape when the packaging is opened. National Cold Asphalt's winter mix cold asphalt ensures that neither workability nor curing is compromised in the application process during the more extreme temperature variances.

"LT40 9,5mm continuous grade warm-mix asphalt is the latest "hot mix in bag" asphalt material developed by us," Mullins says. The asphalt is transported in bags to site and then reheated using the company's mounted mobile oven trailer and is suitable for a host of hot mix road repair applications.

"For contractors, LT40 is extremely cost effective, productive and has zero wastage. It is used for pothole repairs, minor patchwork, trench reinstatements and edge breaks and is now being specified as an approved and effective alternative to conventional, bulk hot mix asphalt by consulting engineers for these applications.

National Cold Asphalt has also identified more opportunities to use its reputable brand of cold-mix asphalt materials to grow SMMEs and co-operatives in the South African road construction and maintenance industry. This is especially on the many labour-based road construction projects under the Department of Public Works' Expanded Public Works Programme banner.

The company's hand operated chip spreader, known as Chippy, has been acknowledged by the Construction Industry Development Board as a very effective method of undertaking single and double seals using labour-based methods, informs Mullins.

National Cold Asphalt boasts ample experience in grooming and coaching emerging contractors, and this experience will be put to very good use on all these labour intensive road infrastructure development programmes.

In 2009, National Cold Asphalt participated in training and supplying seven local SMME/co-operative teams comprising 65 members including seven drivers and seven

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Afrimat declares another fine set of results

AFRIMAT, a leading open pit mining company providing industrial minerals and construction materials, today released full year results for the year ended 29 February 2016.

Andries van Heerden, CEO of Afrimat, attributed the solid performance to the company's diversification strategy and its cost reduction and efficiency improvement initiatives.

Financial results

"We are extremely pleased with the opening up of margins, despite the relatively flat market which resulted in revenue of R1.9bn," van Heerden said. Contribution from operations increased by 17,5% to R321,7m (2015: R273,7m) with the contribution from operations margin settling at 16,3% compared to 13,7% in 2015. Headline earnings increased by 15,2%, translating into headline earnings per share of 156.6 cents per share (2015: 135,6 cents per share.)

"We are very pleased with this solid improvement which is due to a strong performance from the mineral-producing operations across all regions of the country," van Heerden added.

Cash generated from operations improved from R261,6m to R320,3m due to the adoption of an efficiency improvement drive. Overall cash and cash equivalents at the end of the year increased by 206% to R77,4m (2015: R25,2m.)

Known as a reliable dividend paying company, Afrimat has stuck to the dividend cover of 2,75x and has declared a final dividend of 41 cents per share, taking the total dividend for 2016 to 57 cents per share, up 14% from last year.

Van Heerden attributes Afrimat's success to improved efficiencies, cost reduction, and the disposal of marginal businesses in the prior year. "We have, through our mantra "Growth through Diversification," continued to successfully focus on our more valuable product lines which has resulted in higher earnings. This is certainly coming through and ensuring that we are able to deliver strong results," said van Heerden.

Operational review

Afrimat operates across two main segments, namely Mining and Aggregates and Concrete Based Products. The segments contributed 87% and 13% respectively to overall results of the company.

The Mining and Aggregates segment benefitted due to substantial improvements within the traditional aggregates business. In line with Afrimat's diversification strategy, new greenfield projects were initiated in the Northern Cape, which is the hub of renewable energy infrastructure, Mpumalanga and Mozambique, close to infrastructure construction around the new gas terminals.

The Concrete Based Products segment was marginally impacted by the flat market resulting in focused initiatives by management to reduce costs and increase market share. These initiatives resulted in more positive results for the second half of the year.

Cape Lime acquisition

Post the year-end, Afrimat received regulatory approval for the Cape Lime acquisition for which it paid R276m. The acquisition is effective 31 March 2016 and will compliment and boost Afrimat's drive in the industrials sector. To date, this is the largest and most exciting acquisition Afrimat has undertaken. "In our opinion this asset offers Afrimat a unique product offering, opening up additional markets in water purification, soil treatment, effluent treatment including the traditional building and construction sector," explained van Heerden.

Prospects

In the market place, it is well known that Afrimat has a successful diversification strategy and van Heerden is confident that the company remains well positioned to continue to capitalise on it's positioning through the array of diversified products and services it supplies.

"We will not lose sight of our focus on operational efficiency initiatives aimed at expanding margins, reducing costs and developing the required skill levels of all employees," said van Heerden.

Van Heerden emphasised and concluded by saying, "Afrimat's growth is attributed to strategic diversification and our ability to successfully execute on the strategy. This drive within the business will continue and when coupled with acquisitions, a superior product offering and strategic location, we are confident that we will be able to counter economic pressure."

Lema Civils maintains its edge

SOMERSET West-based Lema Civils owes its competitive edge to a combination of hands-on personal service and ownership of its own plant, which allows it to react quickly and always stay on schedule, according to the company.

"We're not trying to be a level CE 9 company," says Managing Director Boris Lederer, "and by staying relatively small, we gain in agility, but are still large enough to tackle big contracts."

12,000m² packshed and cold storage facility for Bella Frutta in Ceres.

14 years in the industry

Lema Civils comprises a team of 35 permanent staff, with a fleet of machines to cover most facets of work in the civil industry. With over 14 years in the field, the company's core focus has always been civil construction, but the last five years have seen it diversify into building and concrete work.

According to the MD, "Most of our recent income has been generated by supplying civil and building services, for the construction of warehouses and packsheds, as well as CA and RA store complexes. And to keep everything busy, we also do industrial and residential developments, bulk earthworks and plant hire."

Some of Lema Civils more recent projects include: a CA Store Complex for Ceres Koelkamers amounting to 15,000m²; a 12,000m² Packshed and Cold Storage Facility for Bella Frutta; a 9,000m² Cold Storage Complex for ColdHarvest.

Social conscience

Lema Civils says it believes firmly in giving back to its staff and the communities in which it operates. Part of company policy includes the implementation of a training regime, which effectively uplifts staff and their communities. The company partners with SEESA in achieving this goal.

Contributions are also made to various social responsibility causes, in which training and financial assistance are provided to previously disadvantaged individuals and local community projects.

The Peninsula School Feeding Association and the Oaks Preparatory School and College Educational Trust are examples of these initiatives.

Vision

Lema Civils prides itself in delivering successful projects on time, within budget, and to the highest standard of quality. Site management teams are invariably dynamic, skilled and highly experienced in all facets of civil engineering construction.

MD Boris Lederer, comments on the company's vision, "At Lema, we constantly strive to improve our performance in all the civil and building industry disciplines we're involved in. And our primary goal? To deliver on our promises, and to supply our clients with top quality, all-round service."

Innovation makes microgrid control smarter

Continued from P15

manage the different power sources that make up a typical microgrid. The new upgrades to ABB's Emax 2 circuit breaker will enable it to combine advanced protection, programmable logic, full connectivity, easy integration and comprehensive microgrid energy management in a single device. ABB is working with equipment suppliers and consultants ahead of the technology's roll-out in the second half of 2016.

This all-in-one solution integrates both standard and advanced microgrid functionalities to meet a broad range of on- and off-grid requirements, improving quality and saving costs.

A complete series of protections ensure a single unit can cover all loads and generators, with adaptive protections that recognize network changes and automatically set new thresholds to guarantee coordination in all conditions. Software embedded in the Emax 2 also optimizes the microgrid where locally generated power, energy storage, loads and utility power work together. ABB algorithms measure and evaluate energy consumption, enabling constant power loads or peak power reductions, depending on the user's requirements.

Frisio added; "Emax 2 will make managing power consumption and renewable energy sources simpler and more effective. It will also help end-users to take maximum advantage of the opportunities that renewables present."

With over 25 years of experience and more than 30 executed microgrid projects globally, ABB provides products and solutions across power generation, including renewables, automation, grid stabilisation, energy storage, power protection and intelligent control technology as well as consulting services to enable microgrids globally.

Internet of things, services and people

ABB has been advancing technologies for the 'Internet of Things, Services and People' for more than a decade via its control systems, communication solutions, sensors and software. Its technologies allow industry, utility and infrastructure customers to make more intelligent use of data to optimize their operations, increase productivity and flexibility. The product featured in this release extends the offering of ABB in this field.

Corobrik's facebrick gives Century City Square a modern look

Continued from P12

to be implemented by the Rabie Group, over the next few years as this precinct expands commercially," said Viotti. "It is envisioned that this will be a mixed-use area where there is a sustainable blend of commercial offices, retail, residential and hotels that will support a 24/7 active, vibrant community."

When planning the development, Viotti and his team opted for the Corobrik's range of timeless facebricks and pavers, because of their aesthetic qualities, as well as the economic benefits going forward.

"All the facebricks chosen were local, Western Cape bricks, which suited the look and feel we wanted to achieve while being an economically viable option."

Some 148,000 Cape Stormberg Travertine, 223,500 De Hoop Red Smooth and 296,500 Natural Earth Travertine facebricks were used in construction throughout the urban square.

"We wanted to identify the different buildings by the brick colour selection in order to provide architectural differentiation within the precinct," he explained. "For example, we used the Natural Earth Travertine facebricks for both the conference centre and hotel to tie them together as one façade on the square. We then used the De Hoop Red Smooth facebricks for the Matrix mixed-use building to give that contemporary, industrial, warehouse building feel."

The Cape Stormberg Travertine facebrick was used as an accent facebrick which revealed and recessed panels, to highlight the 'floating' lighter brick facades. For The Apex office tower, which was always seen as a slick, sheer glass façade, Viotti and his team wanted to offset the surrounding buildings in terms of architectural design so facebrick was selected to achieve this contemporary contrast.

"The architectural façade treatment and design is one of floating planes of facebrick that is supported off concealed steel angle supports, allowing for the contemporary nature of the design of all the buildings," he explained.

To tie into the façade design, 19,500 Natural Earth 65mm pavers were chosen, while 73mm De Hoop pavers were used to connect the design with the rest of the Century City sidewalk specifications. A herringbone pattern was used for all paving to handle the constant movement.

"Facebrick is a maintenance-free façade, which reduces costs down the line," said Viotti. "It is also a wholly natural material which gives an honest, modern design that provides interest in terms of its texture and modulation. It is a respected and understood material in the building industry."

"The facebrick really lends itself to that vision, offering a tactile, warm material which provides a modern backdrop to streets and public spaces that people want to inhabit. The scheme is looking to bring facebrick back into South African architecture in a meaningful way, as a material that we understand and which also works with our local environment, budget and skill level."

Single or double-girder crane?

A common misconception about overhead cranes is that double-girder cranes are more durable and of higher quality than single-girder cranes. "Both types of overhead cranes are, however, equally durable and of the same high quality," says Leon Strydom, Industrial Crane Products Sales Manager for Konecranes Southern Africa.

"On the contrary, single-girder cranes can actually have plenty of advantages over double-girder cranes," he adds.

Benefits of a single-girder crane

A single-girder crane is more compact and lighter than a double-girder crane, which makes it a preferred choice for facilities where headroom and floor space is limited. Even in situations where items have to be lifted and moved close to the building walls, a single-girder crane can have a better end approach to the building, allowing the hook to move closer to the wall. With only one girder, minimum deadweight is applied to the building foundations, allowing for more cost-effective building designs and runway constructions. On top of that, less steel is required to manufacture the girder, making it an inexpensive lifting solution for various applications and industries.

CXT double-girder crane, featuring lifting capacities up to 80 tons.

Understand various lifting needs

A single-girder crane may not, however, be the most suitable choice in every scenario. If a higher lifting capacity, height of lift or a service platform is needed, a double-girder crane might be the better option. It is always important to understand the requirements of the lifting task and the environment where it is planned that the crane will operate, to provide the best lifting equipment for the site.

Konecranes CXT Wire Rope Hoist Cranes

The Konecranes range of CXT wire rope hoist cranes is ideal in almost any industrial setting where a lifting capacity of up to 80 tons is required. Adaptability gives the CXT wire rope crane one of its greatest strengths –being available in every form from basic standard to high-tech advanced lifting.

Single-girder cranes are available with low headroom trolleys up to 12.5 tons or normal headroom trolleys up to 40 tons, while CXT double-girder cranes can feature up to an 80 ton lifting capacity.

Efficiency and intelligence at work

The CXT hoist is known for its efficient use of space under the crane and its excellent hook approaches. Because all the key mechanical components are designed specifically for crane usage, manufactured and assembled in-house by crane experts, the CXT is a top performer.

Safety is improved through high-performance brakes, durable wire ropes and remote operation. The adaptive speed range means that loads move at an optimal rate, enhancing control over the load and improving productivity, yet still saving energy.

In its field, this robust, all-purpose crane is ideal. The CXT is an industry leader in medium-heavy lifting indoor cranes and is a firm favorite around the world: over 10,000 CXT hoists sold every year indicates its reliability, efficiency and value.

Atlas Copco launches new 8 Series compressor range

The largest machine in the new 8 Series Compressor Range from by Atlas Copco.

ATLAS Copco has launched the 8 Series, a range of ten new air compressors. All models in the 8 Series range fall below the 750kg limit and therefore require no special driving license to tow. Reliability, efficiency and higher utilisation levels, coupled with superior performance, enable the range to offer a maximum return on investment for rental and construction partners.

> Atlas Copco's pioneering air element design, making the compressor up to 150kg lighter than comparable models.

Ideal for use on construction sites and in other demanding environments, the new 8 Series compressor range benefits from Atlas Copco's pioneering air element design, making the compressor up to 150kg lighter than comparable models. During the development phase, particular consideration was given to improving the compressor's efficiency and the latest advances in the 8 Series mean that fuel consumption is significantly reduced. The new range uses an average of 12% less fuel than comparable products, says the company.

The compressors' compact and lightweight package mean that despite incorporating a full-size fuel tank, aftercooler and generator, all models fall below 750kg. The largest compressor in the range can produce 5m³/min of air and can still be towed by a normal passenger car. However, the inclusion of a new and updated HardHat canopy ensures the 8 Series models are tough enough for the harshest conditions.

Incorporating reliable Kubota engines, the compressors feature an anti airlock system for guaranteed starting. Service is made simple as all parts are easily accessible and the filtration uses a simple spin on system. Remarkably, the 8 Series only requires an hour's total service time over two years of operation.

The 8 Series lineup initially comprises of ten models, ranging from the XAS 38 Kd, with a free air delivery of 2m³/min, to the XAS 88 Kd, with an air delivery of 5m³/min. Two models in the range come with built-in generators.

Ben Van Hove, Vice-President, Marketing at Atlas Copco's Portable Energy division says, "The launch of the revolutionary 8 Series is the result of more than ten years of continuous development. Throughout the design and engineering process, we have focused on advances that provide tangible benefits to our customers, without compromising a single aspect of design or performance. As a result, the 8 Series is versatile, efficient and a valuable ally in maximising uptime on site."

The 8 Series range of compressors are available with a buy back guarantee from Atlas Copco, which ensures the compressors' asset value and allows owners to easily calculate the capital return.

Cold Mix alters SA's construction industry

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supervisors nominated from 29 Wards within the Ugu District Municipality. A local bagging plant was also established employing another 12 community members.

Over 5,250 potholes (patches) were repaired within three months on over 200 municipal roads in the Ugu District, KZN.

The "Ugu" Model was developed, championed and lobbied in Parliament by the then Chairperson of the Policy Making Committee for Roads and Transport, Madam Ruth Bhengu. Under S'bu Ndebele what became known as the National Department of Transport's S'hamba Sonke Programme was launched in 2011/2012.

Today this Provincial Road Maintenance Grant is in excess of R10bn per annum creating thousands of jobs amongst numerous communities throughout the provinces.

Garrioch says it will be key to integrate these locally established B-BBEE cold-mix asphalt manufacturing plants into supplying various asphalt materials to contractors engaged within the S'hamba Sonke Programme.

"Besides having access to world class asphalt materials, local production means significant cost savings for all with respect to supply of finished materials as well as direct and indirect business growth for local businesses providing products and services to the asphalt manufacturing and road construction service delivery in the region," Garrioch says.

Mullins says that the company is also assisting an undisclosed municipality to produce its own cold-mix asphalt to National Cold Asphalt's exacting standards. "We will provide them with the advice they need to run an efficient and very productive cold-mix asphalt production plant. The roads authority will benefit by being able to roll out essential road construction projects quicker and more cost effectively by being able to produce its own high quality, bulk and bagged cold-mix asphalt," says Mullins.

He reports that National Cold Asphalt has had similar enquiries with other municipalities who have expressed a keen interest in the company's asphalt manufacturing and sustainable job creation consultancy services.

This initiative is being complemented by another one of the company's ventures that will see National Cold Asphalt produce an asphalt mix from 100% recycled asphalt pavement that it will produce from milled pavement residues it collects from municipalities.

Mullins says National Cold Asphalt has been conducting tests with 10kg samples of the material, and the results have been extremely positive. The material will be used to rejuvenate stressed pavements. It will be sprayed onto existing road surfaces that are starting to show signs of distress, increasing their flexibility and therefore, reducing stripping and cracking of brittle pavements.

While the quality of cold-mix asphalt materials produced by the company is well known, both locally and abroad, it is National Cold Asphalt's persistent efforts in using its high grade products to develop and empower productive small businesses in the South African construction sector that will have a visibly high impact and leave a lasting legacy.

Doors and docking solutions for production efficiency

WITH ever increasing pressure on manufacturing companies to become more competitive, any measure that contributes to this goal is welcome. ASSA ABLOY Entrance Systems is aware of this drive for higher efficiency and have responded by designing doors and docking solutions for precise operation to satisfy the needs of diverse manufacturing facilities.

Maxiflex Door Systems in South Africa offers you these quality solutions from ASSA ABLOY to help move your production business forward.

With high volume flows of raw materials and finished goods, it is imperative that nothing hinders the stream of production. This is why the fast and reliable operation of Albany high speed doors, the smart features of the Crawford docking systems, and comprehensive service and maintenance are appreciated in ensuring a smooth flow of goods.

Your products can be easily degraded. Breaks in the cold

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Wine tanks to Lutzville Cape Diamond Vineyards

DURING the first quarter of 2016, Target Rigging transported 12 oversized tanks measuring 19m long by 5,3m diameter from GVTec in Wellington to Lutzville Cape Diamond Vineyards. These tanks have a volume of 400,000 litres each and accordingly, were the largest tanks ever transported on Western Cape roads for the wine industry.

This whole operation had to be carefully managed from the specialised extendable trailer with steerable axles, to the Provincial Traffic officers as well as Eskom and Telkom clearances. There were two electrical cables which had to be switched off and numerous Telkom lines lifted to ensure passage of the loads.

In addition, Sanral as well as the resident engineers of the construction sections between Citrusdal and Clanwilliam on the N7 also had to be consulted to ensure access to the road.

Target Rigging was responsible for the transportation and installation while D&H Cranes, an associate company of Target Rigging, was responsible for the cranage.

Innovation at the forefront of the gear and motor industry

DESPITE major challenges associated to underperforming commodity prices and volatile exchange rates, SEW-EURODRIVE continues to achieve measurable success, through its ability to proactively adjust to ongoing shifts and changes in the market.

Although mining and mineral processing is in a slump, SEW-EURODRIVE MD Raymond Obermeyer indicates that the company has been largely unaffected due to the fact that it also has an established footprint in better performing sectors such as logistics, automotive and the food and beverage industry.

"Despite ongoing challenges, there is a lot of positivity, and we have found new avenues for growth, not only by identifying new markets, but also by changing our entire approach with regards to our sales strategy. Being open to change is one of the most important aspects of business success," he states.

Obermeyer reveals that SEW-EURODRIVE employees are encouraged to become involved in decision-making at the company. "A hands-on approach allows employees to use their initiative in order to make their job and work environment more productive. It is important for people to learn from their mistakes, and makes them grow on a personal and professional level."

In order to continually improve on internal efficiencies, Obermeyer points out that SEW-EURODRIVE sales representatives nationwide have given presentations to senior management on how their roles can be improved. "This constructive dialogue enables upper management and staff to collectively identify strengths and weaknesses, and develop a relevant plan of action."

In a cost-conscious market, Obermeyer stresses the importance of providing a full and comprehensive service offering. "In challenging economic times, customers expect more than just delivery of a product. We recognise this, and work tirelessly to ensure that our team provides a value-added service that encompasses dedicated after-sales and technical support. This includes our large stockholding, which ensures unrivalled availability and turnaround."

As environmental legislation becomes increasingly-stringent, and industrial operations become more environmentally-conscious, there is a distinct shift in demand for more energy-efficient motors. Energy ratings for motors include; IE1 - standard efficiency; IE2 - high efficiency; and IE3 - premium efficiency.

"Thanks to our international skills and technological expertise, SEW-EURODRIVE boasts a comprehensive range of IE3 motors that have been well-received particularly in industrialised markets. The high efficiency ensures considerable long-term energy savings, and the local market is beginning to realise this. Bearing this in mind, I anticipate IE3 motors will be specified as standard within the next three to five years," Obermeyer concludes.

SMC offers new opportunities to the food and packaging industry

SMC, global pneumatics manufacturer, recently launched a new edition to the SY series of Valve Manifolds targeted at the food and packing markets. With its diverse customer base, SMC covers all automation industries and provides customers in their respective competitive markets with the best possible solutions.

According to Ernst Smith, Product Manager for SMC South Africa, the new IP69K manifold is available as part of the SY 5000 range and was originally developed with US food industry customers in mind. The US had various customer requests for such a manifold and it was developed using local market research.

SY 5000 Manifold in IP69K

The design means that the SY5000 series now offers a dedicated manifold with an IP69K rating. According to Smith, "This is yet another leading product that SMC has produced for the market. The focus on quality and performance of this product is second to none and once again demonstrates that SMC's focus is on customer driven product development."

The unit is now suitable for wet areas and can withstand wash down and cleaning. Customers have the ability to install valves outside of a protective box and close to the actuators for better control. The new device is lightweight and comes in a small package, is corrosion resistant, easy to clean and maintain. The manifold is also available from two to 16 stations with a variety of valve styles offered.

The manifold valves are available with options of rubber or metal seal valves. Pressures from – 1 bar to 7 bar is achievable in the rubber seal, with the metal seal operating at up to 10 bar. The compact unit also comes with an optional power saving coil which draws as little as 0.1 watt.

SMC Pneumatics, a company with traditional values of building relationships and servicing customers, prides itself on customer centric design. "This is just another example," comments Smith. SMC has over 5,000 sales people worldwide, which means we have ample opportunity to come into contact with customers and experience first-hand their need for new innovation. This means we will design what the customer needs for a specific application. This was the case in the USA and now this innovative unit is available to the rest of the market as well." he concludes.

The units come fully assembled from Japan where the complete manufacturing cycle is managed in-house. This gives SMC the assurance of quality in that they are hands on with the product from raw material to finished goods. The unit is thoroughly tested before it is shipped out.

Bidcorp valued at US$5bn in market debut

SOUTH Africa's Bidvest listed its food services business as Bid Corporation (Bidcorp) on the JSE on Monday, with the shares opening trade at R270 to value the company at around R90bn (US$5bn.)

Bidcorp, which supplies pubs, restaurants and hotels in Europe, South America and Asia, is the largest primary listing on the JSE since Vodacom in 2009, the stock exchange said.

Bidvest, whose business also spans pharmaceuticals, car showrooms and shipping, announced in February it planned to spin off and separately list its food business, its biggest division, in South Africa. It had previously said the business should be separated because its value was not reflected in the company's share price.

Plans to list the food business in London were abandoned in 2014 and private equity buyout bids for it were rejected three years earlier

The separation will position the food business for a new phase of both internal and acquisitive growth, said Bidcorp Chief Executive Bernard Berson before he opened trading in Johannesburg by blowing a ceremonial kudu horn.

Bidvest shares dropped 68% as Bidcorp started trading, settling around R118,42 by 1213 GMT to value what remains of Bidvest at around R38bn, while Bidcorp had risen to R280,84.

The listing splits the group into what is more or less a South African corporation in Bidvest and global food player in Bidcorp, Cratos Capital senior trader Ron Klipin told Reuters.

"It's certainly unlocking some short-term value for Bidvest shareholders," said Avior Capital Market analyst Mark Hodgson.

Mobile racking in South African fruit stores

SOUTHERN Storage Solutions – DEXION, has installed numerous mobile rack installations in conjunction with Barpro Storage, which has increased the storage capacity of each facility without the expensive task of increasing the room size to cater for conventional pallet racking or drive in racking with all the associated extra refrigeration and electrical costs.

Traditionally pallets of packed fruit are stored by securing steel corner posts to each pallet and then storing another level of pallets on top. While doubling store capacity, this form of block storage effectively prevents stock rotation, increases stock damage and in some situations prevents adequate cooling. As fruit packaging becomes further differentiated, accessing stock quickly for an order becomes practically impossible.

Pallet racking was introduced into existing fruit stores to solve these problems. "Drive-In" racking makes better theoretical use of the chilled space and reduces product damage. However, the accessibility problem is not solved leading to "drive-in" lanes being only partially utilised for immediate access to individual product lines. The alternative is to use fixed selective racking, giving immediate access to every pallet, but greatly reducing storage capacity

Mobile racking was first used in 1997 in a fruit

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Pyrotec PackMark gears up for fdt Africa 2016

WITH food and drink technology Africa (fdt) just around the corner, Pyrotec PackMark is gearing up to showcase a selection of coding and marking machines specifically engineered for the food and beverage industries.

A biennial trade fair being held at Gallagher Convention Centre in Johannesburg from September 14 – 15, fdt focuses on technologies for safe, hygienic and resource-efficient production and packaging of foodstuffs, liquid food and beverages.

The new SmartLase CO_2 C350 laser coder is fast, innovative, robust, and customised.

At fdt, visitors to Pyrotec PackMark's stand will see the new SmartLase CO_2 C350 laser coder that is fast (more than 100,000 products coded per hour), innovative (up to 99.9% availability ratio with easy integration), robust (extended coder life time by 30%), and customised (an array of industry-specific models available.)

With its patented SmartLase Code Technology embedded into all SmartLase models, customers value the single and universal fonts and algorithms capable of scribing impeccable lines, curves and points faster than ever before. Benefits include 30% greater printing performance with output rate increases from 1,200 to 1,800 bottles/min for the beverage industry, and character printing capacity of one code increases from 30 to 120 characters for improved traceability and anti-diversion for the food sector.

Also on show, and known as the printer for the beverage industry, the 9450 S from Markem-Imaje guarantees that each product leaves the factory coded, and that each code is correct and perfectly legible until it is consumed.

With an IP56 rating as standard, the 9450 S is designed with no retention zones to meet the sector's demanding hygiene standards, and withstand high-pressure water cleaning and industrial detergents.

Operating costs of the 9450 S printer are up to 30% less than other competitive models, and ink consumption has been decreased thanks to specific fonts and optimised sector-specific resolutions.

Markem-Imaje's commitment to deliver best in class efficiency is evident from its new 2200 Series – also being showcased at fdt – that builds on a proven concept of providing reliability, efficiency and ease of use. The 2200 Series takes print and apply to the next stage of evolution, giving customers a wide range of interchangeable applications, optimised operational intervention and unparalleled application rates. It also offers sought-after eco credentials, high-performance printing and traceability that – among other benefits – ensures that 100% of cases leave the factory with readable barcodes.

The Pyrotec PackMark team will be available at fdt to provide expert technical advice about the best printing, labelling, coding and software integration solutions for your business. For live demos and industry specific advice, don't miss visiting Pyrotec at fdt.

Oceana performs well at the half year

- Successful integration of Foodcorp and Daybrook and performance of both acquisitions in line with expectations
- Revenue up 40% - 13% excluding Daybrook
- Solid growth in SA canned fish and hake volumes
- Angolan fishmeal and fish oil plant operational
- Oceana remains SA's most empowered company according to the company

Oceana Group Limited has lifted group revenue by 40% to R3, 602m for the half year ended 31 March 2016. Excluding the impact of the Daybrook acquisition, group revenues were up 13%, primarily due to increased canned fish and hake volumes, higher occupancy levels in the Commercial Cold Storage Logistics business and a favourable exchange rate.

Operating profit (before abnormal items) increased by 67% to R587m, and without Daybrook by 13%.

Group headline earnings for the period were increased by 19%. As a result of the diluting effect of the additional shares issued during September 2015, basic earnings per share and basic headline earnings per share increased by 7% and 6% respectively.

"Despite challenging market conditions in Africa and considerable economic headwinds in SA, our performance has been good," says CEO Francois Kuttel.

A 10% growth in sales volumes combined with inflationary price adjustments implemented in February 2015 resulted in revenue growth for Lucky Star canned fish. South African volumes grew 13% following improved pricing and a successful marketing strategy.

An adverse forex impact on imported product was mitigated by renegotiated dollar pricing and the processing of a higher proportion of frozen fish at Oceana's production facilities in SA and Namibia.

Building on the momentum achieved last year, further cost efficiencies have been achieved from good supply chain management. As a result, canned fish delivered an improved operating profit.

Oceana recorded improved landings of redeye herring in South Africa. Current season landings of industrial fish to the group's fishmeal plants were almost 15% higher than the previous season largely due to the additional supply from Foodcorp and Angola fishmeal plants.

Losses from fishmeal operations increased mainly due to lower opening stock following reduced catches at the end of the 2015 fishing season and the increased cost base due to additional plants.

Oceana's first six months coincides with a significant portion of the closed season and as a result pre-season costs were higher compared to the prior period. The Angolan fishmeal plant was commissioned in December 2015 and is producing successfully.

"Validating our decision to invest in Daybrook, the US operation delivered revenue of R706m and operating profit before abnormal items of R191m. This was in line with the original investment expectations."

The 2015 fishing season ended on 30 October 2015, and as such five of the six months under review were outside of the fishing season, during which time both plant and vessels undergo significant maintenance.

Sales volumes of 21,437 tons of fishmeal and 6,373 tons of fish oil were achieved from inventory produced during the 2015 season.

"The Daybrook integration into the Oceana Group has progressed well and we have a very experienced team on the ground."

Prices for fishmeal softened during the last three months of the calendar year following reasonable landings in the second 2015 Peruvian fishing season, and have stabilised in the early part of 2016 with more balanced supply and demand.

The 2016 Gulf Menhaden fishing season started on 18 April and will continue until the end of October 2016.

In South Africa, the Precautionary Maximum Catch Limit for targeted catch of horse mackerel decreased by 8% to 38,656 tons. The Desert Diamond did not fish in South Africa for the period under review.

The vessel was deployed in Namibia for the last two months of 2015 and was tied up for planned maintenance for the balance of the period under review. As a result sales volumes and profitability from horse mackerel in South Africa decreased materially for the period.

The 2015 Namibian horse mackerel Total Allowable Catch (TAC) decreased by 4% to 335,000 tons. The Ministry of Fisheries and Marine Resources made an initial allocation of 145,000 tons for the 2016 fishing season on the same basis as the prior year.

Reduced owned quota and expensive purchased quota necessitated a critical review of the commercial performance of our third vessel. As a result the Desert Rose was sold in October 2015.

An oversupply of fish in the market and tough trading conditions in our traditional African markets put continued pressure on horse mackerel prices, although the favourable exchange rate partially offset the effect of weaker dollar prices.

Despite weaker markets; margins and operating profit in Namibia improved following the sale of excess fishing capacity and the termination of experimental fishing efforts in Angola. Catch rates in Namibia remained consistent with prior periods.

The 2016 hake TAC remained unchanged from the prior year. Hake profitability improved significantly during the period due to a combination of increased volumes following the Foodcorp acquisition, increased prices attributable to a favourable euro exchange rate and the positive effect of lower fuel prices.

"We have made good progress in achieving further synergies from the Foodcorp integration."

The west coast rock lobster business showed a decline in profitability given lower catch rates and a lower live mix due to poorer fish quality, which negated the favourable effect of exchange rates.

The squid business generated a profit due to higher sales volumes and prices together with an exchange rate benefit.

Operating profit in the French fries operation was in line with prior period, with higher sales volumes being offset by the effect of higher priced and poorer quality raw material as a result of the drought.

The Commercial Cold Storage (CCS) Logistics business performed well in the period with improved occupancy levels. Revenue increased by 28% primarily due to additional capacity in Midrand.

This, together with good cost management, resulted in increased operating profit in the period.

Fishing rights applications for horse mackerel, hake inshore and west coast rock lobster were submitted in February this year. The Department of Agriculture, Forestry and Fishing has indicated that the outcome of the allocations will be concluded during August 2016. This will not have an effect on the current year's financial results.

"We expect pricing to improve in the fishmeal and fish oil sector based on consistent global demand and supply challenges in the Peruvian and European sectors. In Daybrook, early season landings have been positive with materially improved oil yields, and in South Africa we expect consistent landing patterns of pilchards, industrial fish, and hake," says Kuttel looking ahead.

"In the rest of Africa, a weakening oil price

Continued on P27

Doors and docking solutions for production efficiency

Continued from P20

chain or unclean surroundings may spoil food or make it unsafe to eat. Poor hygiene during pharmaceutical production could put products at risk.

Contamination of costly electronics may impair their performance. The unintended mixing of chemicals could lead to poor quality. By installing the correct doors systems for your business you can prevent such degradation.

The design, features and operation of doors and docking solutions from ASSA ABLOY Entrance Systems protect product value in many ways. Doors left open for no reason can cause up to 80% of avoidable energy loss.

Maxiflex Door Systems can advise on correct door usage and where you can be saving energy. Quality doors and docking solutions can reduce cold or heat loss and draughts.

Choosing total entrance solutions that increase your product efficiency will contribute to your success in the manufacturing industry.

Challenges your entrance solutions should help you meet: - Improving cleanliness and preventing contamination - Maintaining the cold chain to protect people and products - Saving energy to cut costs - Keeping high value products secure - Ensuring operational safety of doors and docking systems - Maximise uptime - Protecting staff wellbeing to secure high efficiency - Ensuring compliance with health and safety regulations.

Maxiflex Door Systems has a wide range of high performance entrance solutions and can provide maintenance, service and upgrades that will minimise costs.

Second newbuild naming signals completion of local shipbuilding project

Built by Damen Shipyards Cape Town for specialist marine solutions provider SMIT Amandla Marine, the 'Aogatoa' will join her sister vessel, the 'Aukwatowa', in the coming weeks.

IN keeping with maritime tradition, the second of two vessels destined to support the world's largest offshore diamond mining operation has been officially named. Built by Damen Shipyards Cape Town for specialist marine solutions provider SMIT Amandla Marine, the 'Aogatoa' will join her sister vessel, the "Aukwatowa," in the coming weeks. The supply vessels are based out of Port Nolloth on the Northern Cape west coast and operate on contract to the Supply Chain Centre of De Beers Group Services.

Taking up the traditional role of "Lady Sponsor" in the naming ceremony is Mrs Adri Nelson, Supply Chain Centre Manager for De Beers Group Services in Port Nolloth. Mrs Nelson has managed the logistics base in Port Nolloth for eight years, and has been integral to the supply vessel newbuild programme in her role in managing the Northern Cape based supply chain centre for De Beers.

> The supply vessels are based out of Port Nolloth on the Northern Cape west coast.

The first of the newbuild vessels, the 'Aukwatowa', was officially named on Thursday, 29th October, 2015 in the presence of the Minister of Trade and Industry, Rob Davies, who applauded the partnership approach adopted by SMIT Amandla Marine, the leading black empowered specialist marine solutions company in Southern Africa, and their client De Beers, together with Damen Shipyards Cape Town.

Built to a Shoalbuster design, both 30m vessels utilise the most modern technology available and the construction has led to job creation and skills transfer at the shipyard, thereby supporting the growth and transformation strategies of business and government in the maritime sector, and the objectives of the National Industrial Participation Programme.

The naming of the 'Aogatoa', which means "safe return," signals the completion of the newbuild project which began in 2013 with a commitment by De Beers and SMIT Amandla Marine to replace the then operating vessels, thereby underpinning their joint vision of safe and sustainable fleet renewal.

SMIT Amandla Marine and De Beers have been operational in Port Nolloth for more than three decades and will later this year celebrate the 4,000th supply run with the community. The companies participate with the communities in the region, advancing skills development by supporting courses leading to qualifications in careers associated with economic activities locally and providing skills marketable in industry.

Futuregrowth Development Equity Fund earmarks R100m for aquaculture investment

FUTUREGROWTH Asset Management, which manages more than R150bn on behalf of retirement funds, is setting aside around R200m for investment in sustainable aquaculture projects. These include in particular those that earn the majority of their revenue from abalone farming.

The investment falls within the Futuregrowth Development Equity Fund, which has to date invested approximately R1,7bn in development projects with exposure to sectors ranging from infrastructure to pharmaceuticals and transport.

The Fund, which finances selected projects primarily through equity stakes, is open to South African domiciled institutional investors.

"We see this as a strategic play to enhance returns for our shareholders by investing in a sector that shows significant long-term growth prospects with very high export potential. Our investment also meets the mandate of the Futuregrowth Development Equity Fund thanks to the socially responsible, sustainable nature of abalone aquaculture, a sector that remains under-invested in South Africa despite ongoing poaching of wild abalone populations," says Futuregrowth investment analyst Amrish Narrandes.

Aquaculture is a component of the ocean economy, which is one of the key sectors identified under Operation Phakisa, a government initiative to deliver on some of the priorities encompassed in the National Development Plan.

> Aquaculture is a component of the ocean economy, which is one of the key sectors identified under Operation Phakisa.

According to a report by the Centre of Excellence in Natural Resource Management (CENRM) at the University of Western Australia, aquaculture is one of the fastest-growing food producing sectors in the world.

The report indicates that aquaculture now provides almost half of all fish for human consumption, a share that is projected to rise to 62% by 2030.

CENRM data shows that South Africa is the third largest supplier of farmed abalone in the world with an estimated production of 1,450 metric tonnes (mt) in 2015. In comparison, 50,000mt of abalone were farmed in China and 10,000mt in South Korea.

President Jacob Zuma has said that South Africa needs to do more to unlock the vast potential of its oceans, which government says could contribute R177bn to the country's economy each year and create as many as one million direct jobs.

South Africa's oceans contributed approximately R54bn to its gross domestic product (GDP) in 2010 and accounted for approximately 316,000 jobs.

Dolf van Wijngaarde, co-analyst of the investment, said Futuregrowth had no specified timeframe in which it planned to invest its capital and would evaluate projects on their merits. The fund may also opt to increase its investment allocation to aquaculture should it find appropriate opportunities in the sector.

"We could invest it all in one year but it could take longer; it all depends on the quality of the investments that are available to us at the time," he says.

"Our aim is to look for the most profitable investments for our pension fund clients provided they adhere to the sustainable, developmental mandate of the fund."

Narrandes said the fund's preference was to take a minority stake in multiple businesses.

"That gives us sufficient scale to exert some degree of stewardship over the business but without taking control," he says.

"We also prefer businesses that earn the majority of their revenue from abalone aquaculture, not only because of the growth prospects of that sector but also because of the strong contribution this makes to relieving pressure on wild abalone populations."

Inspection on three Chinese vessels at the East London Port

THE Department of Agriculture, Forestry and Fisheries (DAFF) joined forces with the South African Navy to conduct sea patrol within the South African coastline; where a Fishery Control Officer was deployed on board the South African Navy vessel.

The operation has resulted in capturing of three foreign vessels, which are currently birthed at East London Port. The vessels arrived at the Port accompanied by the DAFF vessel Sarah Baartman and the SA Navy vessel SAS Drakensberg. A thorough inspection was done on all three vessels by all law enforcement agencies in East London; South African Police Services, SARS Customs, DHA Immigration, South African Maritime Safety Authority.

Around the Eastern Cape coastline, on 20 May 2016 just off Port Elizabeth the joint patrol spotted two Foreign Fishing Vessels from the Automated Identification System on board the Navy Vessel.

We established that the vessels had gear on board and we verified that they had not applied to enter into our Exclusive Economic Zone (EEZ) and that created suspicion. The seas were rough, which made it impossible for our inspectors to board the vessels.

Our Fishery Control Officers instructed the vessels through radio communication to sail to East London Port, but they did not cooperate.

DAFF's patrol vessel and SA NAVY Vessel had to increase speed in order to intercept the foreign fishing vessels, which were speeding off, but managed to intercept them. The vessels stopped and they switched off their engines.

That continued and at about 02h00, on Sunday morning 22 May 2016, the foreign fishing vessels started their engines and within no time and with no communication with the inspectors, they started steaming towards the east.

The two foreign vessels were followed throughout the early hours of the morning and they were intercepted again, and fortunately this time the weather had improved and the fisheries inspectors and the SA Navy officials boarded the foreign vessels.

The inspections were conducted, whereby fish and gear was found on both foreign vessels, both with no permits. The vessels were again instructed to sail to the nearest port, which was East London.

Enroute to East London, another foreign fishing vessel was spotted crossing in between the fleet going in a different direction, and the inspectors launched to go and conduct the inspection on board this vessel.

This vessel did not have any permit and was also instructed to go to East London Port. All the law enforcement agencies were informed and activated to participate in the thorough inspection of the Vessel on their arrival to the Port.

The foreign fishing vessels were found

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SAS Drakensberg with S102. (Image from SA Navy.)

Subtech dives right into the spirit of Phakisa

IN 2015, Subtech was host to a group of 13 Class 4 KZN Sharks Board Divers for a three-month period that was aimed at providing them with experiential learning across three aspects of the maritime industry – commercial diving, marine and safety. The aim of the experiential period was to provide these learners with exposure to the world of work across multiple disciplines within a learning environment.

The experiential learning period, which was funded by Subtech itself, consisted of work exposure in these three areas of the industry under close monitoring and performance management and was aimed at identifying those candidates with potential to continue with specific learning interventions with the end goal of employability.

The programme kicked off in August 2015 in Durban. Classroom sessions were hosted by the Diving, Marine and Safety Teams before the learners were deployed to work on site. The learners were assessed by their team leaders during each phase of their experiential learning with the assessment tool structured to measure the learner's skills, ability and attitude towards tasks given.

The programme was a huge success and is set to continue in 2016 with the award by TETA of a discretionary grant for workplace learning. This funding will see eight of the original group of 13 return to Subtech South Africa on 1st June 2016 as newly graduated Class 3 divers to be deployed within the company's operational activities for a period of 12 months.

In partnering in this skills development initiative, Subtech and the KZN Sharks Board have created the framework in which these learner divers can both complete formal commercial diving training courses and garner much needed work experience. This will assist them in securing employment and assist in building capacity in commercial diving in South African in keeping with the objectives of Operation Phakisa as regards the creation of a blue economy.

Partnership brings international expertise to African market

A new partnership between Nautic Africa, a Paramount Group company, and Mariflex will bring international expertise in liquid cargo handling to the African market through the transfer of skills and exposure to the global market.

Seeking to develop a footprint in Africa, Mariflex's previous collaboration with Nautic Africa and its employees has resulted in the establishment of a partnership that will see the creation of Mariflex Africa powered by Nautic Africa.

"A number of Nautic's employees have already gained experience working in Holland at Mariflex and a formalised partnership that would provide Mariflex with a presence in the African market seemed like a logical development," says James Fisher, CEO of Nautic Africa.

"We are able to share ideas and learn engineering skills from each other," he says noting that the partnership will be mutually beneficial for both companies.

Mariflex Africa is already operating and services are available 24 hours a day and seven days a week. A recent successful project required the team to offload 24,000 metric tons of vegetable oils from an oil tanker.

Future plans include the establishment of a base for ship-to-ship transfers and the penetration of the combined services further into Africa. In addition specialised equipment is due to arrive from Holland to provide a more effective professional service to local clients.

As one of the world's leading service providers in the liquid offloading sector, Mariflex's partnership with Nautic Africa will deliver a host of professional service to the local market on a 24/7 basis. These include:

- Ship-to-ship transfer service
- Liquid cargo handling
- Cargo survey
- Cargo loss control
- Bunker survey
- Barge inerting
- Debunkering
- Barging services
- Salvage support
- Firefighting equipment
- Pumps and power packs
- Equipment sales, rentals and repairs

In addition technical expertise to ensure that advice, assistance and solutions for any identified challenges can be found before, during and after the transfer or transshipment of liquid bulk cargo is continuously available.

Inspection on three Chinese vessels at the East London Port

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to have the following tons of fish on board:

- Fu Yuan Yu 7880 about 340 tons of squid with 36 crew
- Fu Yang Yu 7881 1about 60 tons of squid with 34 crew
- Run Da 617 about 200 tons of squid and other species of fish with 26 crew

Currently all the Fish holding cabins have been sealed off as required by investigation standards. As part of further investigations of the vessels, all fish will be taken out of the vessels for further identification, counting and weighing.

Possible charges

- Possession of gear on board without a gear permit.
- Not complying with the lawful instruction from the Fishery Control Officer.
- Possible infringements in terms the international conservation and management measures inside or outside South African waters.
- Further investigations may lead to further charges.

"The capturing of these vessels indicates our seriousness as a country to protect our territorial and exclusive economic zone. We cannot tolerate the plundering of our marine resources, which are a source of food security and play a huge role in realising our goals in Operation Phakisa. We are also looking into the sudden influx of these vessels in our waters," says Zokwana.

"The South African Maritime Safety Authority (SAMSA) will be conducting a survey of the vessels today. The inspection will consider crew safety, pollution threat, vessel safety standards and all related matters in terms of International conventions as well as South African Maritime Law," says Thobile Gqabu, Principal Officer, and Centre for Fishing in East London.

"The mandate of the South African National Defence Force and in particular the South African Navy is to ensure that we protect the maritime routes and the resources of our country as we protect the territorial integrity of the Republic," says Siphiwe Dlamini, Head of Communication South African Defence Force.

DAFF and SAPS are busy with registration of the docket, after which it will be handed over to the National Prosecuting Authority (NPA.)

Mobile racking in South African fruit stores

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store outside Grabouw in the Western Cape. Designed to take a combination of 2,200mm and 2,400mm pallets with a maximum weight of 1,000kgs, the pallets were stored with the 1,000mm side facing and the 1,200mm side in the depth of the racks.

What is mobile racking?

Mobile racking consists of special rails that are laid in the floor during construction.

Rails can also be retrofitted in existing rooms provided the floor is suitable by levelling the rails on the existing surface and pouring a 150mm reinforced slab. A low ramp is needed at the entrance. The mobile bases run on the rails and support pallet racking, which is specially designed for use in a mobile application. The bases are motorised and energy efficient. Maximum tonnage per base varies, but should not exceed 360 tons. In larger stores mobiles are arranged in banks of up to 10 bases, each with its own moving aisle. The bases are controlled either by push buttons, remote control, or by an interface with the warehouse management system. An access aisle is created at the push of a button.

Safety measures include photoelectric beams down the length of each base and across the front of each mobile bank with additional emergency stops. To move one or multiple bases takes approximately one minute twenty seconds. Mobiles are designed to give lighting signals so that the lights come on only in open aisles. This results in energy savings as each light produces heat, which must be removed by the refrigeration system.

The possibility of pallets breaking is removed by using a pallet support or saddle beams in the middle of each pallet slot. These are painted yellow to assist with pallet placement especially on higher levels and increase rack strength. Another challenge arises when packed fruit stores remain in use for extended periods. Improved ventilation in the mobiles allow packed fruit to be chilled and store temperatures to be reduced to around 0°C. Frost heave, caused by moisture freezing under the floor, is not good for mobiles and recent installations have under floor insulation and heater mats to make sure this doesn't occur.

The advantages of using mobiles in fruit stores have become apparent over the years. More expensive than "fixed selective" or "drive in," mobiles can increase the practical capacity of a store by up to 75% or 80%, while still giving immediate access to every pallet. If the total cost of a proposed fruit store is divided by the practical pallet capacity the mobile option can be surprisingly competitive.

Recently, mobiles have been installed in smaller stores, three and two pallets in the height with capacities of less than 450 pallets. Moving aisles have been widened to allow for the use of counterbalanced trucks and pallet bays extended allowing the placement of three pallets on the longer 1,200mm side. Maximum pallet weights have increased to in excess of 1,300kgs and storing five pallets in the height is now quite possible.

Barpro Storage are able to manufacture smaller systems locally in their Cape Town manufacturing facility, which cuts costs and reduces lead times. The racking superstructure supplied by Southern Storage – DEXION is manufactured locally in Gauteng.

Oceana performs well at the half year

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is having an economic impact. In the canned fish sector we are exploring a possible duty benefit of ex-South Africa production and we have also signed a distribution partnership in Nigeria. We expect Horse Mackerel pricing to remain stable and are actively engaging the Namibian Ministry in respect of quota allocation for the remainder of 2016."

"Our canned fish product is a cost effective protein, particularly to a stressed South African consumer. We expect, at a minimum, to replicate prior years' volumes for the second six months by maintaining the competitive value proposition of our product. In Namibia, our performance for the second six months will be dependent on the timing and extent of the allocation of the outstanding horse mackerel quota."

"As the Group is now materially a net exporter of goods, our overall performance for the full year will also be impacted by prevailing exchange rates. We anticipate that our acquisitions of Foodcorp and Daybrook will to continue to deliver the projected returns."

"In our drive for efficiency and focus, we will continue to evaluate non-core and underperforming assets in the period ahead."

Subsequent to the reporting period, the CCS fruit business in Maydon Wharf was sold to enable management to focus on core activities.

Consumer credit health deteriorates to lowest levels in three years

Continued from P8

rising interest rates are weighing on consumers who are facing a weak labour market. Russell Lamberti, Chief Strategist of ETM Analytics, the firm that developed the CCI in collaboration with TransUnion, noted that rising inflation rates are eating into household income streams while employment prospects remain poor, "Our measure of household cash flow fell to its lowest level since 2010. This is likely to remain under pressure in the coming quarters."

A significant driver of the fall in the CCI is the sharp rise in household debt service costs. Servicing costs tend to increase when households take on more debt or interest rates rise. "While the Reserve Bank was correct to raise interest rates in response to rand weakness, households who took on too much debt to weather the full interest rate cycle stand to experience tremendous financial strain," says Lamberti.

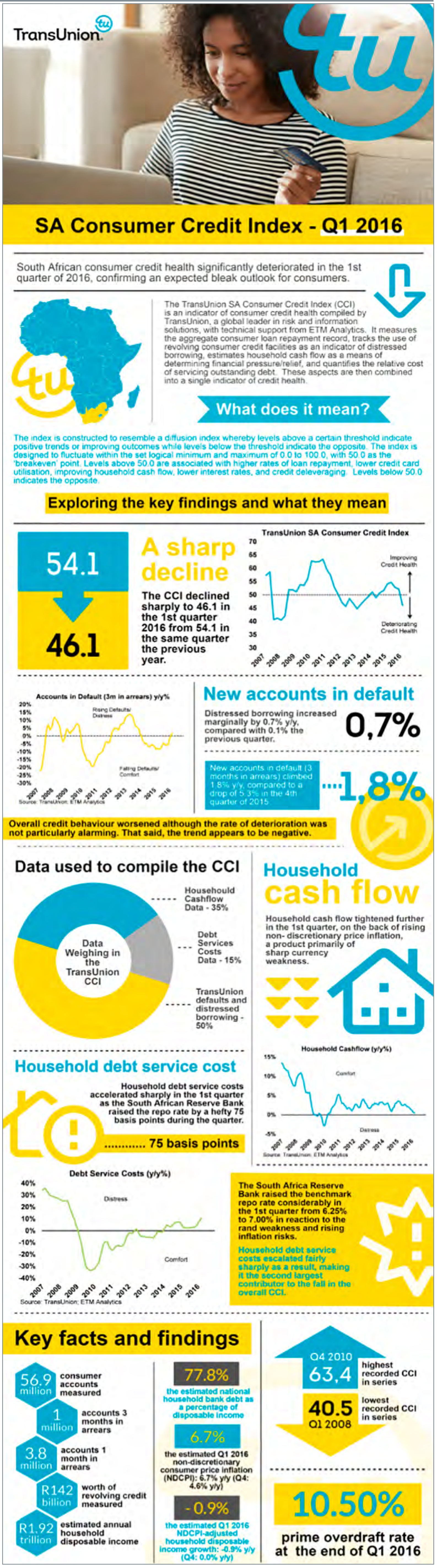
Credit provision in the retail environment

There are also signs in the first quarter that the retail credit markets are bracing for tougher conditions. TransUnion data show a marked slowdown in willingness to extend retail credit and deterioration in consumer creditworthiness.

Miller said that the decline in new retail accounts opened reflected rising default risks and tightening credit standards. "New accounts requests have decreased, but so have conversion rates - the rates at which credit enquiries are converted into new accounts. What this trend shows is that not only are credit providers tightening standards, but customers are both demanding less credit and becoming less creditworthy," added Miller.

ETM's Lamberti echoed the threat to the retail sector. "The TransUnion data confirms the headwinds in retail we see at a macro level. Rand weakness, the recent drought, credit downgrade risk, rate hikes and a very poor job market are hardly good news for the retail industry right now." Lamberti added that retail sales running comfortably above GDP growth was probably an unsustainable trend and that sales volumes would need to soften in the months and quarters ahead.

The CCI report is proving to be a reliable and effective indicator for business activity in certain economic sectors, particularly those more closely related to consumer spending. Miller concluded, "Debates continue to rage on about South Africa's economy becoming even more challenging. With interest rates, food prices and petrol prices all likely to remain on the upward path, the next few CCI reports will provide even further insight into the credit health of South Africans."



Speed is a product

"SPEED is a product" says John Valentine, New Business Director at Real Telematics. Increasingly we are exposed to the 'disposable age' – where products, services, companies and their people have incredibly short-term expiration dates. The continual striving for relevance in the superfast modern age remains the ultimate goal. Even within the Fleet Management industry, our efficiency is often based on how fast our service has been and in this regard we get it right far more than we get it wrong.

Nevertheless, getting it right most of the time often does not wash with the consumers of the FOMO (Fear Of Missing Out) generation. Never is this more apparent than in the mass hysteria that erupts when social media platforms such as Twitter, Whatsapp and Facebook etc. crash for a few hours. Not having that speed of access to data/info/updates immediately available at your fingertips is apparently enough to create emotional upheavals of epic proportions.

"I had the privilege of attending a talk a few years ago given by a popular speaker by the name of Pieter De Villiers, Head of R&D at Shadowmatch. He had a very amusing yet poignant theory on the 'disposable age.' It's well worth listening to. It's this talk that opened my eyes not just to service, but to the speed and quality thereof," says Valentine.

"This is why we have put so much emphasis on speed of service at Real Telematics, without compromising quality. Like many other companies a few years ago we were content to 'fit and forget,' but that is no longer the case. The modern customer wants you to interact with them regularly, not just at the time of the yearly increase. You need to remain relevant in their eyes otherwise the next order may not go your way. Complacency is a killer," says Valentine.

"Speed, being such an important factor in our service is also represented in our product line-up. More and more orders are received based on the crucially important Health and Safety Standards reflected on sites where we have Real FMX installed in forklifts, or Real Track in 'yellow goods' and tractors. We find that monitoring, reporting and controlling speed is one of the most important features we are asked to provide. This is then backed up in real time by detailed alerts and reports on the use and abuse of speed on certain machines and by certain individuals. We strongly believe that speed is probably the highest contributing factor to critical impacts (racking, products, walls and other machines) and general safety risk, as well as unnecessary wear and tear on moving parts, brakes etc., enough to give the Insurance industry conniptions and reflexively increase your premiums," says Valentine.

"Within our own organization we have quadrupled the size of our customer service team and Installation staff purely to get to the customer quicker, and we get this right most of the time. I'm not sure that anyone can claim 100% service and uptime. It should be constantly evaluated and upgraded, according to the evolving industry requirements."

"Speed is fast becoming a standard in our daily lives that we cannot do without. This is why we at Real Telematics pride ourselves on Real Time data, with Real Relevance, when you Really need it."

Devin Geyser of KZN recently presented the P250 25ton Tow Tractor to Bidair Services (Pty) Ltd for the airport services in Durban. Bid Air have been a customer for approximately ten years and have quite a number of Linde Trucks in their fleet all across the country. The reason that Bid Air selected the Linde tow tractor is due to the quality and reliability of the product, as well as the excellent service that they receive from the Durban Branch. Seen in the photo is Devin Geyser with Ashwin Govender, the Workshop Manager at Bid Air.

Eqstra Fleet Management offers fully integrated fleet management solution

ACCORDING to the company, recent developments in fleet management technology by Eqstra Fleet Management has enabled the company to significantly improve fleet efficiencies while at the same time saving fleet operating costs.

As an example, the solution achieved the following savings for an Eqstra customer over a three-month period (January to March 2016)

- Fleet count reduced from 234 to 219 vehicles
- Vehicle discount due to vehicle selection achieved savings of R256,000
- Vehicle uptime improved by 46 days saving R54,000
- Accident Management saved R11,000
- Service Level Agreements savings – R79,000

Murray Price, managing director of Eqstra Fleet Management, maintains that the most efficient way to monitor operational costs is to set up an Operational Dashboard to manage key performance indicators. This gathers pertinent information on a daily basis and allows the fleet manager to analyse costs over time to get an accurate picture of his fleet operations and expenditure.

The Dashboard is

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Robertson Freight's personal touch and years of passion for shipping

ROBERTSON Freight is a small to medium international freight forwarder, based in Cape Town. They are well equipped to meet the ever changing and increasing needs and demands of their customers.

"We are a duly registered and customs accredited 'customs clearing and forwarding' agent, with custom accounts throughout South Africa," says a proud Neil Robertson, director at Robertson Freight.

Neil always had the dream to start his own family business. He approached his brother and current partner Brian for a loan to start a business. Brian, being a director at his previous business, joined the startling business a month later.

"It was based solely on the knowledge that we could make it work, with hard work and determination; a huge risk at the time, but a risk well worth it 17 years down the line," says Robertson.

He adds that they consider themselves as being an extension of their customers.

"We are a division of each of our customers businesses. By offering our customers the services that we do, we are assisting them offer their customers better services or products."

The services range from sea and air freight forwarding for both import and export, as well as all the value additions, such as third party logistics, multi modal (air sea / sea air,) door-to-door, customs clearance and various other supply chain activities.

The company also offers a fully integrated service from a committed team, who meet every related need. Brian has been in the industry for 44 years and Neil for 32 years, between them they have amassed 76 years.

"Shipping is in our blood. There is probably nothing else we can do as well as we do shipping. Perhaps it is all we know," smiles Neil.

Sizanani Bulk chooses DAF Trucks for the long haul

BABCOCK, the sole importer and distributor of DAF Trucks in southern Africa, has recently concluded a deal with Wozani Berg Gasoline (trading as Sizanani Bulk) that saw the fuel transportation company purchase ten DAF XF 105.460 truck tractors from Babcock to include in its fleet of trucks and trailer tankers. Two more of these trucks, which are specifically built for the long haul, are currently on order with a further requisition for 15 units pending. Sizanani Bulk operates a fleet of highly specialised gas and fuel tankers that service a targeted client base, transporting liquid petroleum products throughout South Africa and SADC countries.

Last year Babcock entered the DAF XF105.460 FTT interlink into Truck Test 2015 to demonstrate the brand's performance in the 30-35 ton payload segment. The results revealed that DAF is the most cost-effective vehicle in the country in the 6x4 truck tractor category after it was put through its paces in a grueling 860km round trip route against eight other leading truck brands.

Dave Black, MD of Babcock's Transport Solutions business comments, "The outcome of the performance test proves that DAF is an industry leading vehicle that effectively delivers a productive operation across all the key factors transporters take into account when buying new vehicles. Transporters no longer have to take our word for it - the Truck Test 2015 results prove that the DAF XF is the most profitable truck in its category on South African roads."

Alec Jackson, DAF Sales Executive for Babcock's Westmead branch in Durban, says that there were a number of contributing factors that clinched the sale of the DAF XF 105 trucks to Sizanani Bulk, along with the top cost-effective rating.

"The DAF fuel consumption has already proved to be the best in the Sizanani Bulk fleet, with a saving of up to 4 litres/100km per vehicle," says Jackson. "With that comes a complete package from Babcock comprising correct pricing, a finance package to suit the client's needs, a comprehensive service and maintenance package with a 24-hour breakdown service, the Executrax onboard monitoring system, as well as extensive after sales support," he adds.

The key development criteria behind the DAF XF105 long haul trucks are:

Low operating costs

There are several technical advances on this vehicle that reduce fuel consumption and allow for higher revenue per kilometre to the operator such as the PACCAR MX engine, developed and manufactured by DAF, which combines excellent high performance with economical fuel consumption and the driveline which is carefully balanced to optimise performance under all operating conditions and to make the most of the engine's low fuel consumption. The XF105 also uses many low-maintenance components, which extends service intervals to further reduce operating

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These trucks are specifically built for the long haul.

Eqstra Fleet Management offers fully integrated fleet management solution

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compiled according to customised fleet needs and is mainly composed of data collected from vehicles. This data is then summarised and consolidated into a dashboard file and usually gathers information such as fleet utilisation, maintenance management, accident reports, fuel consumption, driver behaviour, vehicle condition, and financial status (depreciation schedules, annual cost per units, etc.)

To assist fleet operators to set up such a dashboard, Eqstra offers a fully interactive and integrated system, in which the fleet operator can link onto the interactive website through his own portal and is therefore able to have complete control of his vehicles in real time. Eqstra also provides a complete fleet management team who will complement and expand on the support offered by the system.

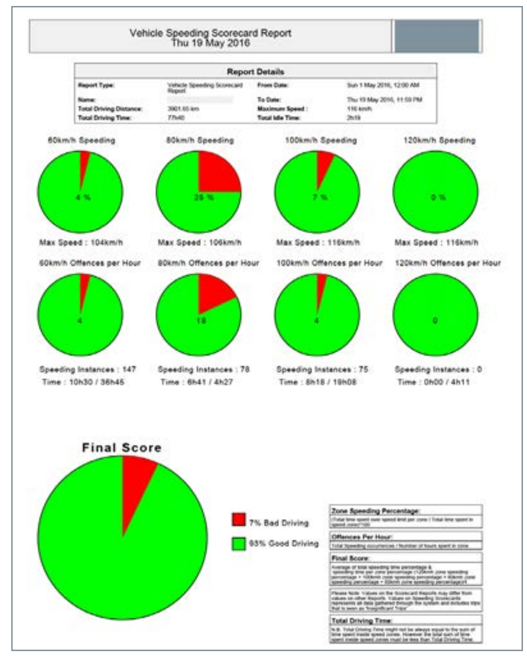
The system utilises a driver scorecard, which manages green-band driving, such as excessive idling, speeding etc. and thereby enables driver management going forward. This includes terrain management i.e. if the vehicle leaves its designated terrain such as on-road vs off-road driving, the vehicle engine can be cut-off, or alternatively a warning is sent to the driver allowing him to correct his route. This score card goes hand in hand with fuel consumption management and driver behaviour management. Driver productivity and behaviour play an important role contributing to vehicle usage maximisation and vehicle performance. Monthly monitoring of vehicle statistics will highlight those drivers who have developed bad driving habits – regular speeding, excessive braking, excessive idling, fines, etc. This allows the fleet manager to institute a program of driver training, thereby improving driver behaviour and reducing fuel and fleet costs.

Through its sophisticated reporting system, the solution generates monthly reports including:

- Operating cents per kilometre, per vehicle.

Through this system, the fleet operator can identify inefficient driver behaviour, vehicle malfunctions, etc. To avoid inefficient routing the system sets operating zones to optimise efficiencies.

- Vehicle utilisation – ensuring optimal vehicle usage and thereby increasing fleet efficiencies. This assists the operator to monitor the fleet count and allows him to make recommendations to management for reducing or increasing the fleet.
- Monitoring of in-contract and out of contract costs, thereby assisting fleet operators to drive down costs. Out of contract costs includes driver negligence and abuse, and operational damages such as flat tyres, stolen components, environmental damage etc. This allows the operator to pick up trends in driver behaviour, problems encountered in operating in specific areas, or vehicle malfunctions.
- Maintenance scheduling, ensuring efficient and timely servicing, thereby eliminating vehicle down time.



A driver scorecard manages green-band driving, allowing for driver behaviour management going forward.

However, In the event of vehicle breakdowns, Eqstra operates a 24-hour call centre which will react instantly in the event of such an incidence and utilises its national network for accident management, and road side assistance. "We aim to get a vehicle back on the road within two hours of a reported breakdown," says Price.

"Our system allows us to design and manage and appropriate fleet operational dashboard reporting system for our customers which shows the fleet manager the status of the fleet at any given moment," concludes Price. "The solution pulls together critical data into analytical and visual tools which can be used to make the best decisions about fuel management, safety, compliance, and overall efficiency, track vehicle and driver performance and allow us to prepare a single and detailed report for assessing the financial impact. This allows our clients to effectively control and maintain their fleet costs which can today significantly impact on a company's operational budget."

Get the show on the road with Concargo

CONCARGO, established in 1987, will turn 30 years of age next year. Concargo specialises in road transport throughout South Africa and from South Africa into sub-Saharan Africa, to Angola on the west coast and as far as Tanzania on the East coast and everywhere in-between.

Concargo provides a FTL (Full Truck Load) dedicated service to remote locations in the Congo, Burundi, Kenya, Rwanda and Uganda.

It also provides a door-to-door service for dry cargoes, equipment, machineries and out-of-gauge oversized freight nationally and cross border; Concargo through its subsidiary company Fiduciary Financial Services.

Fiduciary.com offers all levels of Marine Transit Insurance such as "Contingent Liability," DISU Delay in Start-Up, Consequential Loss cover as well as GIT Goods in Transit.

Technology has the power to make business faster, more agile and more responsive to the constant changing requirements of the market.

"At Concargo, we see technology as a fundamental component of our business in providing a world class standard of service to our customers."

Concargo is proud to announce the impending release of its new technology platform that provides a complete logistics management solution for each of its clients and strategic business

Continued on P35

Target Rigging and D&H Cranes invest heavily

FOR any service company to survive in the present economic climate, investments have to be carefully and judiciously considered. This is especially relevant when our monetary unit is depreciating so rapidly. (See Die Burger of 15th January 2016 where an article stated that the Rand had depreciated by 44% since the beginning of 2015.)

With this in mind, during the previous two years, Target Rigging has purchased the following equipment:

- A 4 axle lowbed trailer with a gooseneck and winch as well as a mechanical horse to complete the unit. This combination can transport loads of up to 50 tons mass and also has extensions on the sides from 2,8m width to 3,2m to cater for wider loads and increase the stability of the load. It is therefore ideal for heavy loads such as concrete blocks, gensets, cookers, boilers, dryers and mechanical equipment, which can be driven onto the lowbed via the gooseneck.
- A 12-ton forklift that was purchased from a container company. This is a recent acquisition and supplements the present fleet of a 3,5 and 7 ton forklifts.

The 12-ton forklift has its own operator and can be delivered to site as well as collected once the job is completed. In addition, the mast has been reduced in height from 4m to 3m so that firstly, it can be transported on a lowbed without having to apply for a permit every time it has to be moved and secondly, it can work in buildings with door heights of 3,5m and above. Naturally, it has sufficient power to pick up 2 x 12m empty containers on top of each other.

On the D&H Crane side, the following have been purchased during the past two years:

- A 55-ton truck mounted crane
- A 25-ton truck mounted crane
- A 16-ton truck mounted crane

The fleet is completed by a 30-ton crane purchased previously.

All the above represents a capital investment in today's terms of over R12m and accordingly emphasises Target Rigging and D&H Cranes optimism in the future of the economy in the Western Cape.

The use of plastic pipes in gas pipelines

SOUTH Africa's gas industry is on the cusp of great growth and expansion in light of a potential global oversupply of shale gas. Locally, the Department of Energy has confirmed the potential development of regional gas-fields, which will lead to natural gas becoming a more important fuel in South Africa.

With the availability of natural gas in neighbouring countries, such as Mozambique and Namibia, and the discovery of offshore gas reserves in South Africa, the gas industry in South Africa is set to undergo rapid expansion.

"In view of these developments, local plastic pipe manufacturers have to ensure that the pipes used in gas pipelines, have been manufactured according to stringent specifications and adhere to global standards," says Jan Venter, Chief Executive Officer of the Southern African Plastic Pipe Manufacturers Association (SAPPMA.) This non-profit association represents more than 80% of the plastic pipe produced in South Africa and focuses its efforts on ensuring pipe systems that are correctly designed, leak-free and durable for long-term use, including the rehabilitation of old pipelines.

Natural gas is a clean-burning, more affordable and more secure source of fuel and is increasingly being looked at as an alternative source of energy for both domestic and industrial use. It burns cleaner than any other fossil fuel, emitting up to 70% less carbon dioxide (CO_2) than coal in electricity generation. A modern gas-fired power plant is also 40% more efficient than a coal-fired. Developing South Africa's gas pipelines is expected to unlock significant socioeconomic and environmental benefits for the country.

According to Venter, pipes made from High Density Polyethylene (HDPE) are widely used for the distribution of natural gas as they have a well-documented inertness to both the external soil environment and to natural gas.

"Extensive testing has taken place over the last 45 years, confirming time and again that the long-term strength of plastic pipes are unaffected by natural gas and its common constituents – making them the ideal material to use in gas pipelines," Venter said.

Venter has first-hand knowledge of the potential challenges of a pipeline and why it is crucial to ensure that the materials used are up to the task, as he was involved in installing the first gas pipeline in Mozambique using HDPE pipe. An 865km cross-border, natural gas pipeline was later installed from the Temane gas fields in Mozambique to Sasol's synfuels plant at Secunda in the early 2000, also using HDPE pipe.

"Like water pipelines, gas pipelines are a long-term investment in infrastructure and the pipes and fittings used are therefore required to last in excess of 100 years. HDPE pipes offer numerous benefits for gas pipe installations, such as being lightweight and easy to handle, easy to join, available in a range of sizes and pressure ratings and have low frictional resistance, with hydraulic properties that remain virtually unchanged over its useful life, resulting in lower energy use and pumping costs," he explains. Pipes ranging between 20mm to 630mm (as per SANS 4437) are generally used in gas pipelines.

One of the biggest dangers of gas pipe lines, however, is the risk of Rapid Crack Propagation (RCP) – a rare but significant catastrophic pipe failure that results in a rapidly progressing crack (typically >300 ft/sec) when a pressurized pipeline is subjected to a sudden or intense impact. RCP can also be the result of a pre-existing flaw or crack in the pipe and can occur in most piping materials including steel and PVC pipes.

"RCP is a concern in piping systems that are used to convey compressed gasses due to the fact that the rapid energy dissipation from a compressed gas provides the energy required to sustain crack growth," Venter explains. For this reason, pipes bearing the SAPPMA mark are regularly tested to ensure that they meet and exceed industry standards.

SAPPMA has also recently formed a specific task team, headed up George Diliyannis (Technical Support Engineer at Safripol,) who has been tasked with the specific focus of investigating the requirements of the current specification, compiling a guiding document and as an industry body, ultimately ensuring high standards of pipe manufacture and installation when it comes to gas installations.

Concludes Diliyannis, "The gas industry is fast growing and SAPPMA recognises that it has a responsibility in this regard. South Africa has adopted the latest proven ISO standards for gas pipelines made from HDPE. These standards cover materials, manufacturing, installation and testing. Specifiers and users should ensure that South Africa's gas pipelines are manufactured and installed according to SANS 4437:2014 in order to ensure long term operational safety and pipeline integrity. Gas pipelines will increasingly become an important part of the country's infrastructure. Extended working lifetimes and uninterrupted supply of gas are therefore essential and will only happen if the pipes and the pipelines are prime quality."

Advantages of virtual pipelines and better economics

THE supply of Compressed Natural Gas (CNG) via a Virtual Pipeline was pioneered by Virtual Gas Network (Pty) Ltd. (VGN) more than five years ago. The innovative fixed-trailer transport system enables VGN to distribute Compressed Natural Gas safely and economically to refueling stations, power generation systems, gas distribution networks and industrial and commercial customers who have no access to existing gas pipelines.

According to the company, CNG is a safer, cheaper and more efficient energy alternative to LPG, paraffin and diesel.

"It is also a clean renewable energy source that can significantly reduce carbon emissions. Switching to CNG offers the industrial sector better economical control over business operations thanks to stable pricing, more consistent quality-to-energy content. It also offers more economical use of space because the compression, storage and dispensing system takes up less space, particularly in comparison to conventional coal bunkers."

The advantage of introducing a Virtual Pipeline is the access it creates to CNG.

"It negates the need for customers to be on any national gas grids and offers a consistent, reliable supply to an eco-friendly energy source."

No capital outlay is required because customers can lease the gas supply equipment, which is installed and provided at no direct cost to customers, and customers only pay for the CNG used. VGN have also built in extra features into their CNG infrastructure to ensure spare capacity and redundancy of supply and higher safety measures such as gas sensors and automatic shutdown systems. This fixed-trailer transport system is specifically designed to provide solutions for customers who are remotely situated from existing gas pipelines, large industrial and commercial customers within a 300km radius from a compression status and smaller customers that form part of a larger distribution network.

"By utilising CNG, industrial plants can operate on a consistent energy supply, reduce losses due to fuel-source theft, improve safety, as well as increase the lifespan of equipment and reduce maintenance and operating costs."

This energy source has been tried and tested traditionally and through the innovative fixed-trailer transport system of Virtual Gas Network (Pty) Ltd (VGN), industrial customers who are not on existing gas pipelines now have access to the benefits of CNG via a Virtual Gas Distribution Network.

The International Energy Agency has predicted that natural gas will constitute 25% of the global energy mix by 2035, surpassing coal. The Draft Carbon Tax Bill forms an integral part of the government's plan to implement policy around climate change and South Africa is committed to reduce greenhouse gas emissions by as much as 42% by 2025.

ENERGY EFFICIENCY

Energy innovations to bring African prosperity

AFRICA is on the brink of an energy revolution, which will transform lives across the continent, if decision-makers can fully grasp and advance the technological and other innovations on our doorstep, according to global consulting engineers and scientists, SRK Consulting (Africa.)

"Rolling back poverty and boosting growth by getting affordable electricity to all households is now a more realistic possibility than ever before," according to SRK corporate consultant Roger Dixon, "especially with fast-developing renewable energy technologies to build upon."

Dixon highlighted the developmental impact of access to electricity at household and community level, especially in the era of mobile and digital communication.

"Electricity is the first step into the digital age, facilitating improved levels of learning, enterprise, healthcare and communication," he said. "In many remote areas, electricity in the household also heralds a new culture of efficiency in which people can spend time on more productive activities instead of fetching firewood or water."

He also highlighted electricity's vital contribution to improving educational access and quality, which were in turn linked to economic performance, employment and more sustainable levels of population growth.

According to the African Development Bank (ADB), the continent loses four percent of its gross domestic product due to lack of electricity – with over 645 million Africans living without it. Electricity use per capita averages 181 kilowatt hours (kwH) in Africa, compared to about 13,000kwH in the US and over 6,500kwH in Europe.

Electricity is also often unaffordable to Africans, according to the ADB, which estimates that a person living in northern Nigeria pays up to 80 times more per unit of energy than a resident of London or New York.

"The urgency of this challenge is clear from the ADB's plan to spend US$12bn in the energy sector over the next five years and leverage a further US$40bn - US$50bn," said Dixon. "In South Africa, government expenditure on energy projects – mainly from Eskom – is expected to exceed R180bn over the next three years, making up more than 20% of public sector infrastructure spending. In addition, government is also considering potential investment in nuclear power."

He said renewable energy sources will be a cornerstone of this economic revolution, as Africa's potential in wind, solar and hydropower is released by the quick pace of technology.

"But we also need to innovate our models of energy generation and distribution, providing legal, policy and technical support for private sector investment and exploiting opportunities in locally-focused energy schemes alongside a national grid," he said. "Our experience at SRK is that engineering studies must integrate closely with social and environmental requirements to ensure that projects proceed smoothly; governments must facilitate with a conducive regulatory framework and efficient permitting."

Renewable energy's

Continued on P34

The future of recycling isn't what you think

The difference between a circular economy and a recycling economy, and why we should care

Hermann Erdman, CEO of REDISA (Recycling and Economic Development Initiative of South Africa)

OUR dominant linear 'take-make-consume-dispose' economy is unsustainable. Dwindling natural resources and growing demand are inescapable; it is only a matter of time – in some cases just decades – before certain resources will no longer be available as virgin commodities.

Circular economy thinking moves away from waste; it looks at preventing the waste rather than managing it. The recycling economy on the other hand focusses on recycling waste so that it doesn't end up in landfills, but is reliant on waste in order to survive.

So which is the best approach to tackle the severe environmental and socio-economic issues we face, and drive much needed new industry development while ensuring that manufacturer's bottom line goals are achieved?

In a recycling economy, little attention is paid to the manufacturing or design stage. Currently huge amounts of energy is used when making products from raw materials. However, as long as the recycling process is independent of the design stage, it cannot address the long-term challenge of incentivising manufacturers to change their processes. This would mean using less raw material, reducing energy use and making products that have a reduced negative impact on the environment.

The circular economy promotes a sustainable industry where product design is influenced in a manner that makes not only environmental sense, but also business sense for manufacturers.

The main difference between the circular economy and the recycling economy is that manufacturers are incentivised to change and develop better design processes. This is becoming a reality in South Africa through an approach that was lauded by the World Economic Forum in Davos in 2016 as a successful model.

In South Africa, through legislation and regulation the tyre industry has ensured that tyres, severely damaging to the environment, do not become waste at the end of life. In line with promoting a circular economy ultimately manufacturers will be incentivised to shift their product's design to cradle-to-cradle manufacturing techniques.

REDISA is funding a Product Testing Institute to be completed by 2017, which will provide an environmental rating system. The rating system will promote the development of tyres that, when considered over their entire lifetime from manufacture to end of life disposal or recycling, have minimal environmental impact. These tyres will of course be able to be recycled, but the focus goes far beyond only recycling.

A better product will obtain a better environmental rating from the institute, and this in turn will mean that manufacturers pay a lower waste management fee to extended producer responsibility organisations like REDISA. Those products that obtain a poorer environmental rating will pay higher fees - thereby driving the shift to greater sustainability in the South African economy.

For the first time in an industry, 100% of tyre manufacturers and importers in South Africa are taking responsibility for their waste by passing the responsibility to an organisation like REDISA, which is ensuring that the environmental disaster that waste tyres represent is being economically and effectively addressed. This is the springboard for implementing circular economy principles in the tyre industry.

At REDISA we recognise the possibilities that lie in circular economies, specifically for all those willing to look at waste not as waste, but as a commodity. Through this approach, items that would otherwise be disposed of as waste can be reused, in whole or in part, multiple times. This restorative system extracts the maximum value out of a resource, ensuring that products have endless lives.

Woolworths Holdings Limited (WHL) challenges itself to bold, Group-wide sustainability targets

WOOLWORTHS Holdings Limited (WHL) is on an ambitious journey of continuous change in the way it does business and has put sustainability at the core of its strategy. Central to this is the setting of sustainability targets for the Group, and WHL is proud to announce its Good Business Journey goals for 2020.

The WHL Good Business Journey (GBJ) was ground-breaking in South Africa when launched in 2007, and aims to reduce the business' environmental impact and increase its social and economic impact across the entire value chain.

The GBJ focuses on improving eight key areas of the business: energy, water, waste, sustainable farming, ethical sourcing, transformation, social development and health and wellness, with over 200 targets supporting this. The GBJ has also realised R567m in cost savings made through sustainability interventions in the company and its supply chain to date.

For the first time, the Group's GBJ 2020 targets will incorporate the WHL international businesses, including the rest of our African operations, David Jones and Country Road Group, thereby extending the knowledge and experiences gained in South Africa across borders. In Australia, WHL will be introducing formal sustainability scorecards for David Jones and Country Road Group towards the last quarter of the 2016 calendar year, thereby aligning the GBJ programme across all its Southern Hemisphere operations.

The WHL Group GBJ 2020 commitments are a progression of its earlier journey and include:

- Contributing over R3,5 billion across the Group to communities over the next five years
- Saving 500 billion litres of water over five years
- Ensuring the company halves its energy impact by 2020 and achieves 100% clean energy by 2030
- Driving responsible sourcing of all key commodities by 2020
- Affirming that every private-label product sold has at least one sustainability attribute by 2020

"Sustainability is at the core of our business and we are very proud of the new targets we're announcing today. Since we launched the Good Business Journey in 2007, we have achieved some remarkable milestones, learnt valuable lessons, and set significant industry benchmarks. Going forward, we also see the opportunity to amplify these positive impacts beyond South Africa through the activation of the GBJ programme at both David Jones and Country Road Group in Australia," says Ian Moir, WHL Group CEO.

The GBJ 2020 scorecard incorporates traceability and the development of responsible sourcing strategies for high risk commodities including palm oil, cocoa, sugar, soy, cotton, leather and viscose, It will also incorporate an improved animal welfare rating system and responses, and make significant progress in eliminating hazardous chemical usage across the clothing supply chain.

Energy innovations to bring African prosperity

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share of South Africa's installed electricity capacity has leapt from zero to 4,5% since 2010, on the strength of government's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP.)

"This bold initiative breaks new ground and proves that renewable energy is both affordable and well-suited for public-private partnerships in Africa," said Dixon. "It also showed that solar and wind power offer unprecedented opportunities to reach remote areas with electricity, without necessarily being linked to a national grid."

South Africa has recently become one of the world's top ten countries generating power from solar photo-voltaic sources, and is now the largest wind-energy producer in Africa – with capacity exceeding 1,000MW.

Sizanani Bulk chooses DAF Trucks for the long haul

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costs. Maintenance is therefore simpler, faster and less expensive and there are fewer parts that wear and need periodic replacement. Smart features such as the speed limiter and engine idle shutdown prevent wastage of fuel and reduce emissions.

Best driver satisfaction

The XF105 has the most spacious cab in its class allowing the driver to stay fit and alert for longer. Aerodynamic refinements such as the four large electronically adjustable and heated mirrors allow for a wider field of vision while the spacious cab has a roof with an integrated aerodynamic sun visor. Additional features such as Adaptive Cruise Control, Forward Collision Warning and a DAF Camera System make driving safe and comfortable. Babcock recently held a mini-workshop for Sizanani Bulk's driver trainers to familiarise themselves with operating the vehicle and making the most of the aerodynamic design.

High reliability

The DAF XF105 includes extensive function integration to achieve excellent reliability and durability while the engine compromises 25% fewer parts than previous models which dramatically increases reliability and prolongs lifetime. Long maintenance intervals and professional service from DAF dealers such as Babcock minimise downtime to further reduce operating costs. In addition DAF MultiSupport offers a fixed rate per kilometre for repair and maintenance and gives customers the benefit of increased vehicle availability and reduced administration, while the DAF International Truck Service (ITS) is on stand-by day and night, 365 days a year to ensure a stranded truck is back on the road with minimum delay.

Five years in, with better things to come

SMART Waste recently celebrated its fifth year in the Western Cape with an invitation to present at the Western Cape Funding Fair.

"This is the start of a new growth phase for us," says Reg Barichievy the owner. "We are looking forward to the next phase of our development as a Western Cape company. It has been hard, but exciting work to get to this point."

Smart Waste – a national company rated BEE1 – is owned and managed independently. The company services industrial estates, factories, shopping centres and wine farms. Its basic services include comprehensive waste management; this involves disposing of all waste streams from general waste to hazardous waste.

"We take the role of a project manager and take over the client's waste responsibility for waste removal so that the client can take care of business. We subcontract the specialist waste streams and ensure that your interests are protected and costs are kept low; basically we take care of the dirty toilet no one wants to deal with."

Each contract is different and services are adapted to each client's needs. Distances to landfill, types and sustainability of waste volumes are taken into account to determine the most efficient and cost effective strategy in removing waste, all of which is handled in accordance with the law.

Smart Waste's core service is on site recycling. By removing recyclable material from the waste stream at source Smart Waste can reduce transport and disposal costs – due for an annual increase in July – by the volume of waste which is removed. Thereafter Smart Waste provides the client with a monthly report on the waste management supported by Safe Disposal Certificates where necessary.

"Certification as to safe disposal and reporting on waste streams is becoming increasingly important to clients, especially those with overseas connections." explains Barichievy.

Smart Waste is also innovative in finding different ways of dealing with waste, which can be recycled and was one of the first to send food waste to a fly farm.

"The next five years will be crucial to our development"; says Barichievy: "we don't want to be the biggest but we certainly want to offer value and innovative solutions to our clients."

OPINION

Climate alarmists have vested interests too

Continued from back page

knowing their salaries will rise as a result.

Worse than this bureaucratic self-interest, the research funds environment agencies awarded go to research that will produce ammunition for stirring the climate alarm pot.

Climatologists with a more cautious view are starved of research funds. Inevitably they accept funding from industries such as the coal, iron, and steel that recognized that blaming carbon dioxide for climate change and global warming makes them targets for higher taxes and closure.

Now cautious climate scientists are being labeled as "deniers" a word deliberately coined to taint them with Nazism. Some have been hounded out of their jobs. Serious attempts are now being made to silence any criticism or doubt about the dangers of the climate warming.

Meanwhile, developing countries see the climate change issue as a golden opportunity to extract "reparations" from developing countries for changing the climate, since they, being economically underdeveloped, cannot be the culprits.

But of course the climate of the world is changing. Of course it is getting warmer. Of course, some economic activities are damaging the environment in some parts of the world.

And, is it as bad as some say? That said, what are we to do about it?

It is alleged that climate change is the central question of the era (Islamic extremism, a resurgent Russia, the world economy in the doldrums, the prospect of Donald Trump or Hillary Clinton becoming US President, notwithstanding).

If the climate change is our entirely fault and the world is getting warmer to such a degree that our grandchildren will suffer and thousands will die, we clearly have to do something.

If it is true that most climate scientists agree that the climate is warming for whatever cause, should we worry that much? Should we be terrified?

A great number of the educated middle classes of rich western countries agree that we should be scared stiff. More than that, they are genuinely convinced that modern economies are changing the climate.

Never to ignore a good headline, the media daily bombard us with stories of floods, melting glaciers, dying polar bears or whatever event they can link to the climate changing and the earth warming.

Think carefully before swallowing everything climate alarmists will tell you. They have vested interests too. Follow their advice and be ruled by unelected bureaucrats. Follow their advice and watch governments stifle free markets, end free speech, and restrict all our lives in a tangle of regulations and new taxes.

Enter the players

Leo DiCaprio picked up an environmental award in NYC this week — but hypocritically expanded his carbon footprint by 8,000 miles when he obtained the honor, by taking a private jet from Cannes, then flying straight back to France on another jet for a model-packed fund-raiser a night later.

DiCaprio was at the Cannes Film Festival this week, and was spotted there partying at club Gotha on Monday with model Georgia Fowler, then jetted back to New York for the Riverkeeper Fishermen's Ball at Chelsea Piers on Wednesday, where he was honored by the clean-water advocacy group and Robert De Niro.

Just 24 hours later, DiCaprio reappeared back in France for amfAR's glitzy Cinema Against AIDS gala, where he gave a speech.

DiCaprio's foundation just pledged US$15m to environmental causes at this year's World Economic Forum. And during his Oscar acceptance speech, he said, "Climate change is real. It is happening right now, it is the most urgent threat facing our entire species."

But he's also been slammed for his use of private jets and yachts. Environmental analyst Robert Rapier, who said the actor's movie-star lifestyle "diminishes his moral authority to lecture others on reducing their own carbon emissions," told us of DiCaprio's latest trips:

"[He] demonstrates exactly why our consumption of fossil fuels continues to grow. It's because everyone loves the combination of cost and convenience they offer. Alternatives usually require sacrifice of one form or another." Rapier added, "Everybody says, 'I've got a good reason for consuming what I consume' … It's the exact same rationalization for billions of people."

But a source close to DiCaprio explained that the star did not charter his own flights, but merely "hitched a ride with someone already flying back [and] to Cannes. Hitching a ride was the only way he could make it in time for both events."

The amfAR gala raised US$25m, including US$500,000 for an auctioned stay at DiCaprio's Palm Springs, Calif., home, while the Riverkeeper event brought in US$1.6m.

His rep didn't comment.

Get the show on the road with Concargo

Continued from P31

partners.

With its suite of mobile apps, its customers have access to all of their shipment and freight logistics information at their fingertips, providing complete peace of mind at each milestone of their logistics projects in Southern Africa.

With Concargo technology, you will not only be able to track the status and location of your shipment, but have access to live quotes and road shipment calculators, document scans and invoices in real-time. An information portal provides pertinent market and company news that gives you complete visibility of the market, wherever you are.

With Concargo's 'message push' technology, your mobile device will be notified of any updates to your shipment as soon as it happens, giving you the ultimate control over the status of your goods in transit.

"Coupled with our organizational workflow features, these updates can be streamed and shared to each of your colleagues to ensure everyone is in the know from consignor to consignee, resulting in maximum transparency and substantially reduced project risk," says David Kruyer Managing Director and founder of Concargo.

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- Maritime: shipping / port operations
- Materials handling and equipment
- Mechanical power transmission and geared technology
- Modern office: equipment / IT solutions / mobile office / software
- Motoring
- Power Industry: Generation, transmission, distribution and metering
- Safety and security: surveillance / access control / fencing / PPE and equipment
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OPINION

ON THE CONTRARY


Pieter Schoombee

The pressing affairs of the day

"The world is a dangerous place," mused Luke the Dude. Trust him to ruin the general feeling of bonhomie and the peace we had with the world at large. As is our wont on the odd occasion, the congregation of learned conversationalists were adding to The Governor's wealth at the local pub and grill. Minding our own business. Quietly in our own corners.

Well, maybe that is taking it a bit too far.

"I'll tell you why," offered Luke the Dude when nobody responded. It must be admitted, though, that Jon the Joker did look up disdainfully from his lager, and that was all it took.

"Let's not even talk about South Africa," lectured Luke, "where the ANC, elected as our government under the downturned eyes of the … ahem … quote … Independent … unquote Electoral Commission, appoints an investigation into state capture and the creepy hand of the Gupta Brotherhood around our president's shoulders and then? Then nothing. Then it disappoints the investigation again."

"You got it right there, Boy," interrupted Colin the Golfer, who for once liked what he heard.

"Useless!" contributed Jon the Joker, either in agreement or dismissal.

"No swearing!" warned The Governor, being a Scout master and prepared for anything.

Luke turned a scornful lip down at him and proceeded, "Okay I won't say it then, let's rather talk about America, where the Grand Old Party, the political home of Abraham Lincoln, Dwight D. Eisenhower and Ronald Reagan is electing who as Republican candidate for the presidency? Donald the Liar, that orange-coiffed crook, capitalism's worst nightmare, a Robbing Hood who steals from the poor to give to the rich, namely himself, a con-man buying the presidency!"

"You really don't like him, do you?" enquired The Prof academically.

"I do," contradicted Luke the Dude enigmatically, "as a TV host saying 'You're fired!' That suits his nasty nature. I don't like him as a school-yard bully with his finger on the Red Button ready to start World War Three if anybody should be so 'disloyal' as to piddle him off."

"So do you want Hilary Clinton then, with sneaky Bill stalking interns in the seats of power and the corridors of sleaze?" queried Dave the Dancer doubly meaningfully. "I mean, if she gets into a fit of rage, and she might well have every reason to, seeing that Old Bill there is still looking all smiles and up to it, who knows what she will do with the Red Button?"

"Hmmm," pondered The Prof, "a thought best banished from the mind."

"Exactly," jumped in Big Ben, who has had his hand up for some time, "she is just as likely to start World War Three!"

"But that is precisely my point," exasperated Luke the Dude, "You sit here as if this pub is under a tree and suddenly you've been hit by an apple. Eureka! Meanwhile I have been saying from the beginning: the world is a dangerous place. Remember? America is the leader of the world in gross domestic product, in innovation; it has more Nobel Prize winners and Pulitzer Prize winners and whatever winners than anybody else. It has more geniuses per square mile, even though some of them come from South Africa. Blame the ANC for that.

"America has a deep vault of human capital. They can choose the best. But who do they want to lead them and the free world as president? Take your pick, as long as it's either Hilary the Clinton or Donald the Dump."

"So no matter what the Americans do, or what we do, the world is a dangerous place," concluded Big Ben in a rare *lucidum intervallum*.

"And it is no better at the other end of the world," continued Luke the Dude, "where the Islamic empire is finally succeeding in its long-sought invasion of Europe. They came from the East and they came from the West in the Dark Ages. The Ottoman Empire lasted until less than a century ago, but its Islamic progeny has remained in south-eastern Europe and many remember the days of the great empire with fondness.

"From the west they crossed out of Africa into Gibraltar and conquered Spain, where they ruled from the eighth to the fifteenth century. They also took their wars of conquest into France and Italy. As anybody with any knowledge of Asterix and Obelix knows, the Gauls would not agree to that without a fight. Charles the Hammer's Gauls defeated the Moors in 732 and drove them out of France. Even though they had to be driven off again and again for centuries.

"But now, in the 21st century, what do the Europeans do? They invite the invaders in with open arms, don't they? Come and take over our countries! Welcome! Welcome!"

At this point I would have liked to give the floor to Yusuf the Trader or Muhammad the Principal to enlighten us with their perspectives, but as Muslims do not partake of the liquid fare served by The Governor, they do not set foot in our local pub and grill. Fortunately, Big Ben came to my rescue.

"I do not agree," said he. "I know many Muslims and they are friendly, hard-working people."

"We all do," we all said.

"The Muslim community of the Cape is indeed a positive contributor to the stability of our society," added The Prof.

So that took care of Luke the Dude, right? Wrong.

"But that is precisely my point," said he. "I am not talking about the Muslim community integrated in the population of the Cape. No threat of instability from them, rather the opposite, as you say Prof. I am not even talking about individuals. I am talking about more than a million people entering Germany alone. And how many more in the other European countries?

"These are not Germans or Swedes; they have different customs and habits and ways of treating women, for instance. If you don't see the threat of social instability you are fooling yourself. A small country like Sweden is already taking strain."

"What is your point then, Boy?" enquired Colin the Golfer.

"My point, as I have been saying right from the beginning," replied Luke the Dude while looking at the roof for assistance, "is that the world is a dangerous place. We have always lived with change and we make allowances for it, but at the same time we need a minimum level of predictability to make sense of our lives. Just ask any investor. Below that minimum level of predictability we live in a dangerous place."

"Indeed we do," agreed The Prof. "Young Lucas here is making a perfectly valid point. The Richter scale of human affairs shows we have entered an era of instability. It is in our nature to assume that life will carry on as before, from day to day, but that is a mistake."

"Oui," reminded Jean-J, "when the Jewish people of Europe saw the rise of Hitler, they went on with their daily lives, assuming it would be okay. Nobody thought the Holocaust was possible. And when Pol Pot became dictator of Cambodia in 1975, the educated Cambodians had no expectation that they would all be killed, and killed because of their education."

"Well, well, well!" scolded Jon the Joker, "thank you very much for that piece of information. You and Luke the Dude really know how to cheer a chap up, don't you? Next round please Governor, we have no beer left to cry in!"

"Okay then," said The Prof brightly, "young Lucas has made his point and he has made it admirably. Time now to change the subject. Somebody tell a joke please."

"Fransman!" shouted Jean-J.

"No dirty jokes!" reprimanded The Governor.

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THE OTHER SIDE OF THE COIN


Keith Bryers

Climate alarmists have vested interests too

IF you think that man made climate change activism has nothing to do with the economy, you are wrong. If you think that it poses no threat to the way you do business, you are wrong. If you think that your freedom to seek work where you want to is under threat, if you see no threat to individual liberty, no threat to democracy and freedom in general, you are seriously wrong.

In short, if you are less than 40-years-old, you will live to regret what is happening on the back of the climate changing and the political bandwagon it has created.

This is why.

Led by the UN (which is filled with highly paid bureaucrats and appointees who have never been democratically elected) politicians around the world have embraced the idea of climate change being a threat to the rest of us and our children and grandchildren.

Politicians everywhere see climate change panic stirred up by the media as a sure-fire way of garnering votes, so they emphasize climate alarmism, often ignoring the cautious findings of scientists.

They like the claim that most climate scientists backing climate alarmism. They cry "follow us, do as we say, and we will rescue you from the approaching doom!"

It is a wonderful excuse to set up environmental agencies, creating more civil service jobs, their salaries paid for by taxpayers.

In the US and in most of the developed world, environment agencies or ministries now exist. In the US they are given massive budgets, particularly earmarked for climate research. These bureaucrats now have a vested interest in climate alarmism. They lobby for more environment regulation,

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