# CAPE ISSN 1028-1215 Business News

**FOUNDED 1980 SA: R15.00 (Incl. VAT) FEBRUARY 2016** 

**Headwinds for Brimstone** 

Brimstone is battling to find its sealegs after an illtimed foray into shipping.



Sea Harvest packs for Perth

Sea Harvest casts deep into International Waters



Konecranes -106 years on

With a rich and varied history, Konecranes has grown to include 10 branches in SA.





# Tills jingling for Cape retailers

CAPE TOWN headquartered retail conglomerates appeared to enjoy brisk Christmas trading with recent sales updates mostly confirming double digit growth. The trading statements - to an extent - allay fears that discretionary spending would dry up as consumers faced up to the prospect of lower salary increases and the prospect of higher interest rates as well as higher prices following the calamitous collapse in the rand against major international currencies. But the outlook for 2016 remains cautious, and local retailers are going to have to work extra hard to maintain margins and keep top line ticking over.

Woolworths - which sells a combination of groceries, general merchandise and fashion lines - reported group sales up a sprightly 17% for the 26 weeks ended 27 December 2015. If the recently acquired business of Australian-based department store David Jones was excluded, then Woolworths' sales increased by 12,3%.

Woolworths clothing sales increased by 11,7% with a price movement of 6,6%. Sales in comparable stores grew by 8% with net retailing space growing 7,2%. General merchandise sales growth was markedly slower, increasing by 5,8% and only by 2,3% in comparable stores.

But Woolworths Food sales jumped by 12,1% with a price movement of 5,7%. Sales in comparable stores grew by 5,8% with net retail space increasing almost 10%.

Another key indicator was that Wooltrading period, with an annualised impair-

ment rate of less than 5%. The bottom line is that Woolworths expects earnings for the 26 week trading period to come in between 30 and 40% higher.

Fashion retailer Truworths International - which has recently seen its retiring CEO Michael Mark opting to stay on board until 2017 - disclosed that its group retail sales for the 26-week period to the end of 2015 increased 36% to R8,5bn. The turnover growth figure, though, does include contributions from the recently acquired Office Retail Group as well as the Earthchild and Naartjie businesses.

Office is a cash based footwear retailer in the UK - in which Truworths acquired an 89% stake in early December. The contribution from Office meant Truworths encouragingly reported that group cash sales grew by 85% and credit sales by almost 16%. Credit sales comprised about 60% of total sales. If the sales recorded by Office, Earthchild and Naartjie were set aside, the retail sales for the period increased by 15% to R7,2bn with cash sales growth of 16% and credit sales growth of 15%.

Like-for-like store retail sales give some indication of how tough trading really was in the 26-week period - increasing by just 10% for the period with product inflation averaging 9%. Truworths reported that the percentage of active account holders able to purchase remained at 86%.

The Foschini Group - which also owns menswear specialist Markhams - reported worths Financial Services division saw its that Christmas trading was above expectadebtors' book growing nearly 8% for the tion with group sales growth for December coming in at a nifty 27,2%. If the recently

acquired UK-based Phase Eight business was excluded, then turnover growth was 13,5% with same store growth of 6,9%.

Foschini reported strong Christmas sales growth in clothing (16,7%) and cellphones (13,8%.)

Excluding Phase Eight, cash sales growth for December was 20,8% and credit sales grew by 7%.

Foschini reported that group sales for the nine months to 26 December 2015 increased 33,0%. But if Phase Eight was stripped out then turnover growth registered just below 12%, and less than 6% on a same store basis. Foschini also conveniently provided a post-Christmas sales update from December 27 to January 9 - noting group sales up almost 40% and 12,5% in Phase Eight was taken out of the equation. Same store growth was 6,2%.

Woodstock-based New Clicks - which owns Clicks Stores, Musica and the Body Shop - reported group turnover up 12% in the 20 weeks to January. The flagship Clicks chain increased sales by 13,6% - a performance, its directors contended, highlighted the resilience of the business in an environment of declining consumer confidence and increasing economic uncertainty.

Clicks reported comparable store sales growth of almost 116% and showed real volume growth of 7,2% with selling price inflation measured at 3,4%. The Body Shop increased sales by 12,7% and by 9.3%in comparable stores, while Musica grew sales by 2,6%. Total group turnover grew

Continued on P3

#### **Futuregrowth Development Equity Fund earmarks** R200m for aquaculture investment

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

Futuregrowth investment analyst Amrish Narrandes said, "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.

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.

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

**Continued on P18** 



### IN THIS ISSUE

- 11 Power Industry
- 13 Commercial Fishing
- 14 Petrochemicals, Oil & Gas
- 17 Logistics
- 18 Pumps & Valves
- 21 Maintenance & Support
- 22 Heavy Lifting
- 24 Cutting & Welding
- 26 Hydraulics & Pneumatics
- 28 On the Contrary
- 28 The Other Side of the Coin

# **Business News**

#### A solution to workforce absenteeism caused by injuries in the workplace ing a bio-psycho-social disability, IOD (inapproach with work jury on duty,) return hardening activities to work and managed achieves superior and

ANYONE who has been involved with an injury at work case, be it the injured party, the employer, attending medical professional, legal representative, insurance company or statutory body, will know how onerous and distressing the pro-cess can be before it reaches finality.

"The vast majority of employees and employers are unaware of the consequences of long-term absence and disability," says Lindsay Scott, passionate founder of Workability Rehabilitation Solutions, a business to business healthcare company that procare services to corporates, insurers, governmental funders and medical aids.

The impetus behind the establishment of a RTW (Return To Work) Rehab Unit came when she realised that traditional medical physiotherapy and occupational therapy were not catering for the full rehabilitation needs of patients' with work-related injuries. This opinion has been overwhelmingly ported by international research where functional restoration usmore cost effective outcomes as compared to treatment as usual.

"The challenges in South Africa are that with an unemployment rate of more than 25%, those injured at work are actually employed and need to return to work as soon as possible.

By not returning to work, the worker has:

- Socioeconomic
- losses Loss of the worker
- Loss of identity
- Loss of social contacts

that the unemployed worker - is after 6 months - 40 times more likely to commit suicide and susceptible to secondary illnesses like depression and anxiety."

"Many employees who think their income is safe because they are covered by Workman's Compensation or company insurance schemes often get a rude awakening when the unthinkable happens," says Scott, a qualified physiotherapist who started Workability in 2003 as a specialist provider for the treatment and rehabilitation of injured workers, focusing on those at high risk of longterm absence and disability and a thorough understanding COIDA - the Compensation for Occupational Injuries and Diseases Act.

"We like to think we started a revolution in the RTW industry, firstly in the Western Cape where our specialized work rehabilitation centres in Montague Gardens and Brackenfell address all the barriers to achieving a sustainable return to work.

"The barriers to are seldom purely medically, but

Continued on P3

# Montague Gardens and Marconi Beam seek to clean up their streets

THREE years ago a Cheese factory shop in the Montague Gardens area of Cape Town was the scene of an armed robbery that resulted in tragic the death of the business owner and the injury of his daughter. The local business community was horrified and immediately came together with police and to discuss ways to secure the area preventing anything like this in the future.

Fast forward three years and this determined community is poised to launch its City Improvement District (CID.) This will see a collaboration of Montague Gardens and Marconi Beam property owners worktowards cleaning the area of both "crime and grime."

A City Improvement

DE

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District (CID) also known as a Special Ratings Area (SRA) is a non-profit organisation operating within a defined geographic area within which property owners agree to pay a levy for supplementary and complimentary services set to enhance the physical and social environment of the area.

A CID, according to the SRA by-law collects a CID levy from the ratepayers in the area over and above the normal rates charges. The money collected, unlike the rates, is a dedicated levy which can only be spent in the specific

LA PORTE

CID area and is used to provide "top up" services according to an approved Business Plan. These services provided by the CID are supplementary to those provided by the City of Cape Town, which continues to provide normal services.

CBN spoke to the owner of well respected De La Porte Property Group ans the Chairman of the Montague Gardens and Marconi Beam steering committee, Jonty De La Porte about the project. De La Porte has worked in the area since 1994 passionate and is about this CID.

"This project is very close to my heart. Gardens Montague Marconi Beam have always been the most modern industrial areas in the Cape Peninsula with large businesses and institutional property owners. We all have large property investments in the area, aside from the fact that we work here with our staff."

According to stats from the Central City CID (CCID) – the first CID project in the city that was borne out of a partnership between the City of Cape Town and the Cape Town Partnership, property prices inevitably rise in CID areas. Not surprisingly perhaps as security is improved and

the area uses the extra resources to maintain the area.

De La Porte says that the Montague Gardens area is now the victim of surrounding CID's success.

"Central Improvement districts have been opened up in many industrial areas in Cape Town, leaving Montague Gardens standing alone. Vagrants and criminal syndicates have been forced out of the other areas leaving Montague Gardens a soft spot.'

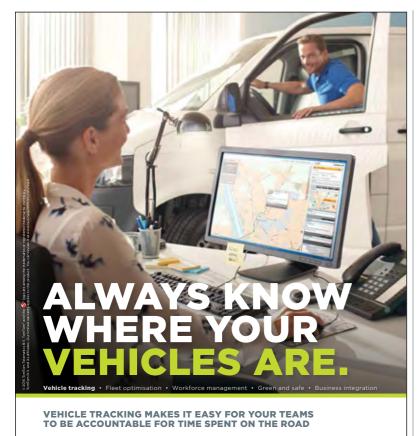
The area has seen an increase in vandalism, damage to private and municipal property / infrastructure including signage; water meters, gate motors and air-conditioning units that have been pilfered, only to be sold on to scrap dealers.

"The reality is that the police have very limited resources, and so the onus falls onto the people in the area to provide whatever extra support is needed. By implementing the CID, we are hoping to reduce crime and clean up the area - illegal dumping sites, illegal fires, fixing broken street signs and lights."

The advantages of establishing a CID:

The cost of providing supplementary services will

**Continued on P9** 



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#### STREAMLINED RETURN TO **WORK SOLUTIONS**

Workability is a Quality Assurance Company that is committed to streamlining the Return To Work process and reducing the risk of absenteeism, injury and disability in the workplace. Workability represents a network of medical professionals that have agreed to align their treatment of patients with international standards to ensure consistency of intervention and streamlining of outcomes.





#### Tills jingling for Cape retailers

Continued from P1

topped R9,2bn for the period with CE David Kneale singling out the Clicks chain, which managed a strong performance across all product categories.

"Over the festive season in particular respondcustomers ed positively to our product ranges and to our promotions."

Looking ahead, Kneale expected trading conditions to be challenging, with consumers facing further pressure from a combination of higher

The outlook for 2016 remains cautious, and local retailers are going to have to work extra hard to maintain margins ...

inflation and rising interest rates.

Brackenfell-based supermarket giant Shoprite seemed to labour for growth traction in the six months to end December 2015. Group turnover increased 8,8% from R57,5bn to about R62,5bn. But growth on a like-forlike basis was a pedestrian 2,8%. CEO Whitey Basson said that after an improved second quarter driven by good festive season trading, the South African supermarket operations increased sales by 7,2%. Internal inflation averaged just 2.7% for the period.

The group's non-RSA supermarkets mainly scattered around Africa - recorded sales growth of 15,2%. This is a commendable effort considering the impact of (dramatically) lower commodity prices and the devaluation of certain currencies. turniture Shoprite s division grew sales by 13,7% for the period with the OK Furniture brand the stand out performer.

#### A solution to workforce absenteeism caused by injuries in the workplace

Continued from P2

are found at the workplace, in the haphazard medical journey, the legislation etc.'

"Over the past 12 years we have developed our services to provide complete return to work and managed care solutions. We have worked with more than 1,000 companies to reduce sickness absence. claims and disability in the workplace," explains Scott.

#### **Innovative IT**

Workability has developed innovative technology coupled with tried and tested clinical systems and practices to reduce sickness absence, manage claims and streamline the recovery and return to work process of injured employees for organizations throughout the country.

Initially in the Western Cape, Scott has now expanded Workability's horizons by partnering with physiotherapy and occupational therapy

practices throughout the country offering its Practice Management software and bridging finance to its network partners.

Workability developed systems are in place in practices in Port Elizabeth, Bloemfontein, Kempton Park and most recently in Nelspruit.

'We have developed bespoke physiotherapy and occupational therapy products and services for each market segment we operate in including:

- Quality managed assessment, treatment and rehabilitation services - to reduce the cost of claims and disability for insurers and governmental funders
- Reduce sickness absence and IOD's for corporate clients
- Reduced the cost of treatment for medical aids

"All our products provide a significant return on investment and all our clients

benefit from a single supplier whom can provide a consistent and quality managed national service, says Scott.

#### Clinical excellence

Workability employs qualified, trained and experienced medical professionals and uses cutting-edge technology, built on proven clinical guidelines and evidence-based practice to manage claims, sickness absence and disability. Its network partners have access to ongoing training and support through knowledge sharing and case coordination and its IT systems ensure quality and consistency throughout the partner network.

#### Strategic management information

Through its revolutionary web-based IT system Workability is able to collect accurate consistent data and that is invaluable in

identifying particular patterns of claims, absence, IOD's and underlying causes. It provides unique reports to clients, complete with trends analysis and strategic recommendations for addressing the underlying causes of claims, IOD's and absence.

#### **Complete integrated** solution

Workability provides a complete claims management and IOD RTW solution from the first-day of absence, injury or illness, through to the most chronic cases. It can integrate with client's existing services such as occupational health, EAP's, (employee assistance programmes) health benefits / insurances, medical service providers, COID or medical aids to ensure optimal utilisation.

#### Case management

RTW Case Managers oversee the thera-

pists and professionals involved in the Return-To-Work process. This is managed through Workability's revolutionary web-based IT system that enables the tracking of the patient's treatment and enforces international guidelines that ensure consistent, goalorientated treatment.

#### Assessments

Through a basket of Assessments targeted at employees at risk of long term absence or disability, RTW Case Managers are able to identifying the barriers preventing employees from returning to work and make recommendations surrounding proposed interventions needed to prevent and manage absenteeism, injury and disability.

#### **Training courses**

Workability also offer employer training courses to manage and reducing the risk of absenteeism, injury & disability in the workplace including workshops addressing:

- Preventative Generic
- Preventative Jobspecific
- Disability awareness
- Back care Office ergonomics
- Work related upper limb disorders
- Patient handling
- Understanding COID

Concludes Scott; "Workability's unique approach to screening, assessing and stratifying injured employees ensures that the right patient gets to the right treatment at the right time. Our specialized software and extensive Basket of RTW Products, ensures that all stakeholders involved in a case work towards the same goal of RTW. We have found that not only are our results competitive with international standards but Workability's cost effective intervention is paired with high levels of stakeholder satisfaction."



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# False dawn or new dawn?

PLANS to transform African Dawn Capital formerly a specialist micro-lending business - into a cutting edge venture capital developer and funder, have gone somewhat awry. Legacy issues, stemming from the company's past endeavours - have come back to haunt African Dawn, stifling efforts to bring the full effects of a reverse takeover by Cape

Town-based capital specialists Knife Capital to book.

Capital is Knife spearheaded by some of the best known venture capital specialists in South Africa with previous associations with projects backed by technology heavyweights Mark Shuttleworth and Hasso Plattner. Knife's influence at African Dawn. however, has been

the fact that the JSElisted company is still embroiled in sorting out legacy issues that mainly revolve around micro-finance subsidiary Elite.

This seems a great pity since some of the businesses associated with Knife Capital appear to be hitting their straps.

In the meantime, the results from Knife

Capital's venture capital advisory subsidiary - Grindstone - look extremely promising. Knife Capital reported in late January that

promising results from entrepreneurial leadprogramme ership Grindstone validated SMEs (Small to Medium-sized Enterprises) Africa's future growth engine.

The dozen 'scaleup' companies on the Grindstone programme experienced a 64% average increase in revenue and created 70 jobs, while mastering business fundamentals. This was Knife Capital's second intake of venture capital companies under the Grindstone banner, where the participating companies experienced explosive business growth.

The year-long Grindstone programme takes

businesses with proven traction through an intensive review of their strategies - providing the necessary support to build a foundation for growth through skills transfer and introduction to business networks. Grindstone has partnered with entrepreneurial-spirited corporates like FNB, ENS Africa, Microsoft BizSpark, Moneyweb, M&C Saatchi Abel, Ansarada, PwC and Mazars to provide services and expand networks.

The statistics are fascinating. On intake, the average Grindstone SME had been running for six-and-half years, employed 12 people and the founders were 36 years old. Aside from the average growth of 64% in yearon-year revenue, companies saw an addition of R65m in revenue across the companies, the creation of 70 new jobs, a doubling of key customer numbers and an expectation of 72% compound annual growth rate over the next three years (compared with 49% at the start of the programme.) There was also a 14% increase in efficiency measured by average revenue generated per employee.

Grindstone director Andrea Böhmert argued that the real value of the programme was that participants were enabled to rapidly react to windows of opportunity for corporate activity.

"The inbound interest from local corporates and international investors to partner with these companies are encouraging, and there are some real success stories in the making."

She pointed out that over half of the Grindstone II participants received offers for full or partial acquisition during the past 12 months. Böhmert said some of these opportunities still under evaluation and negotiation.

"But being in the position to decline such offers, if not optimal, is a clear sign that the companies back their own growth strategies."

Specifically, transport information startup WhereIsMyTransport raised a R12m funding round from a group of investors to internationalise its operations and enable the company to build solutions that serve developing cities worldwide.

Grindstone Alumni iKubu was acquired by GPS navigation giant Garmin for its bicycle radar technology.

But the company that showed the most improvement in the programme against set growth metrics was B2B (business to business) marketing agency MPULL. MPULL was responsible for almost half of the jobs created on the programme and increased its revenue tenfold.

Knife Capital is now planning to launch a value-adding Grindstone III programme. Hopefully by then African Dawn will have got its ducks in a row.

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Last month Tower advised that it had sold 73 Hertzog Boulevard to the Kia Joy Trust for R111m.

LOCAL property group Tower has banked a nifty profit on selling a non-core property in Cape Town's bustling Foreshore – and the proceeds may bank roll further expansion internationally.

Last month Tower

advised that it had sold 73 Hertzog Boulevard to the Kia Joy Trust for R111m. The office block and motor showroom currently houses construction and engineering giant Murray and Roberts, digital media company Trudon

Out of the Foreshore ... into Croatia and Lexus Cape Town.

The property was recently upgraded and is well located on the Foreshore close to the Cape Town International Conference Centre with easy access to the N1 and N2 highways. The gross lettable area is almost 5,500m<sup>2</sup>, and - according to Tower's website - there were no vacancies in the property. It seems Tower will bank a clear profit on the sale with the

The buyer seems to have scored a fair deal with the weighted average rental per m2 is R145,49m<sup>2</sup> and net operating income is fore-

original purchase price

on the property being

around R89m.

cast at R9.3m for the year to end March 2017.

Tower directors said 73 Hertzog Boulevard was no longer core to Tower's strategy which now appears to focus strongly on building a meaningful offshore presence.

In mid-2015 Tower snapped up part of a newly built office tower VMD Block B in Zagreb in Croatia. Recent reports in Business Day newspaper suggest the Croation acquisition has proved more successful than initially anticipated. Tower owns 15 of the 26 floors in the VMD building and is reportedly considering

acquiring seven more. At the time of writ-

ing Tower had also proposed acquiring shopping centre properties in Croatia for a whopping EUR66m (R1.1bn.) Tower wants to acquire Sub Dubrovnik, which owns the Sub City Centre situated in the Dubrovnik area. Sub Dubrovnik is owned by Agrokor, which focuses on food retail and wholesale, as well as food production. It has an annual turnover of EUR6.5bn (over R100bn.) Agrokor is also the controlling shareholder of Konzum, the largest supermarket retailer in Croatia and Bosnia

Tower also wants to acquire the superKon-

and Herzegovina.

zum shopping centres situated in Zagreb and Velika Gorica as well as the Meridijan 16 shopping centre in Zagreb. Konzum owns more than 740 stores in Croatia. Tower said the Croation retail properties were situated in prime locations, built to European standards and featured internationally

Tower directors said the 73 Hertzog Boulevard disposal would allow the company to focus on its pipeline of acquisitions - "which allow for higher and more sustainable growth." The sale of 73 Hertzog Boulevard will go a little way in funding the determined

renowned tenants.

Tower has indicated that intends raising 50% of the purchase price of the Croation properties via a rights offer and through additional debt facilities.

Whether Tower will consider selling off other South African properties to raise funding for its East European endeavours remains to be seen. Tower owns several well known Cape Town retail properties - including the Cape Quarter in central Cape Town and the DeVille Shopping Centre in Durbanville. It also owns the Sunclare office block in Claremont, and an array of properties in Gauteng.

### Africa turns to small business sourcing and enterprise supplier development

OVER the years, Africa has embraced newer models of business to create more opportunities for economic growth.

Driven by supdiversification, plier transfer economic and building a more dynamic local content procurement approach, enterprise and supplier development (E&SD) is becoming a global action to inspire economies and create jobs.

Key to this achievement is the role played by procurement and policy makers in driving local sourcing and developing small businesses into real industry players.

But how do procurement and supply chain executives get involved? Where do key policy makers fit in? How can governments migrate from cheap talk to actually walking the talk? What role does big business play in creating wider a footprint and business opportunities for SMMEs, both locally and internationally?

Through the discussion achieved at the Africa Sourcing and Enterprise Summit (1-3 March 2016, Cape Town, South Africa,) which is co-located with one of Africa's longest standing and largest procurement and inbound supply chain indabas, Smart Procurement World.

"The summit will be

m:

m:

an eye-opener and will reflect on how trade policies can make or break the African economy and how we can join voices and create sustainable growth of Africa's

small businesses," says

Dr Mohan Kaul, Confer-

ence Chairman and Ex-

ecutive Chairman, Commonwealth Investment Corporation.

Dedicated government officials will deliver ministerial keynote addresses aimed at highlighting what big business and government can do to ensure long-term

SMME success. South Africa is pleased to host the current confirmed dignitaries: Minister Margaret Mwanakatwe, Minister Commerce Trade and Industry, Zambia; Minister Amelia Kvambadde, Minister of Trade, Industry and Co-Operatives, Uganda and Hon Minister Ekwow Spio-Garbrah, Minister of Trade and Industry, Ghana.

"With an imperative on local growth and sourcing, the dialogue at the Africa Sourcing and Enterprise Summit will

focus on stimulating Africa's SMMEs globally and locally through innovative big business and trade linkages," notes Debbie Tagg, COO, Smart Procurement.

The summit invites policy holders, representatives from E&SD, economic development, chambers of commerce, development banks, banks, building society banks, small business development agencies, incubators and funders to share in the dialogue at this notable annual event.

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### Fabrinox puts the pedal to the metal

CUTTING edge technology and old-fashioned hard work are the cornerstones to the success of Paarl-based Fabrinox. Opened in 1993 as a sheet metal components manufacturer, Fabrinox offers a range of services that far exceed even the wildest dreams of Andre Visser (Founder and Managing Director) in those early years.

"Fabrinox is an extension of our clients' facilities," explains Visser. "We offer over 9,500m² of undercover floor space across our two sites, with

an additional 2,500m² outdoor staging space, a highly skilled and professional staff compliment and access to the latest and most accurate equipment on the market, backed by a range of ISO certifications. This ensures on-time completion of projects with a high degree of precision, with professional and flexible service."

At a recent site visit, CBN saw first hand the incredible scope of the projects that the company is working on at any one time. From equipment for the film industry to high-end gas heaters, yacht louvres to components for water purification plants, the Fabrinox team is on it. The company offers manufacturing solutions, tailored to customer and industry requirements.

Constantly striving to enhance efficiency, ensure adept process flow and automation, guarantee repeatability and constantly improve the production processes, while ensuring a sustainable supply chain through intuitive procurement,

the work is not contained in the company's two local sites. Visser says they are increasingly working outside the country, with projects spanning six continents. Eight installation teams ready to move at a moment's notice and maintain a systemically versatile approach.

"Everything is only 24 hours away," states Visser. "Logistically the world is not so big anymore and if you bare that in mind you can be available to assist a client anywhere in the world – all the time."

This fast response time and flexibility has endeared Fabrinox to its ever growing client base, and sees them not only installing and commissioning projects across the globe, but training the teams that are going to be using the equipment as well as other installation teams on the job, often in less than ideal working environments.

With a view to penetrating the African market in a more meaningful way, Fabrinox - along with four other stakeholders - is one of the investors behind Andani Futuretech, a new South African BEE company that offers engineered solutions to local and global OEM's for their outsourced manufacturing requirements. A bold move in a depressed market, Visser is excited about this partnership that has already yielded results in both local and continental business, and promotes collaboration with other partners in the industry.

Fabrinox has four basic focus areas:

 Components – Including sheet metal and tube laser cutting, bending and surface finishing.

#### - Sub-assemblies

- Where these components require some assembly with or without the use of precision welding, coating and / or bead blasting.

- Projects under license
   Including manufacturing, project management, commissioning, procurement and spare parts.
- Installations Managed by the eight teams across the globe.

Skills development is a way of life at Fabrinox, with around 10 interns and apprentices on the floor at any time, Fabrinox' investment in the youth through this training and ultimately entry-level jobs has been a priority since its inception.

"We employ many of our trainees," beams Visser. "Although often they end up working for our clients, becoming customers themselves."





www.fabrinox.com

# Landmark agreement between FAW Trucks and Associated Motor Holdings

A significant agreement has been reached between FAW and Associated Motor Holdings (AMH,) part of the Imperial Group, to offer the best sales experience, top-notch quality service, parts and maintenance provision to all FAW truck customers in Malawi and Zambia.

At the legal confirmation ceremony this week Manuel Pereira de Canha (CEO of AMH) affirmed AMH's belief in the positive attributes of the FAW brand of trucks.

"This Chinese brand has remarkably changed old misconceptions. With its global manufacturing plant, FAW Vehicle Manufacturers SA (Pty) Ltd says that, like its parent company, it can equal the same build and quality standards of just about any other brand. The distinction between different truck categories and the purchase decision lies with the customers and their specific operations, contracts, business models and company projections. Some customers and fleet operators will choose more affordable, but simpler vehicles while others prefer highend premium technology and sophistication. It's a conscious choice for a specific business solution. It is no longer a question of the level of manufacturing infrastructure or labour, it is a question of what suits the customer best," said Manuel Pereira de Canha.

"FAW trucks have proven in a few short years their durability, strength and rugged capacity to deal with some of the most rigorous operating conditions prevalent, especially in developing global regions, such as Africa."

"AMH recognises this as an opportunity to grow its African footprint and we look forward to the positive growth opportunity."

In response to Manuel Pereira de Canha's commitment from AMH, Mr Zhijian Wang, (Managing Director of FAW Import & Export Co. Ltd.) paid respect to the trust and respect demonstrated by AMH in the FAW brand.

AMH will be the exclusive sales, parts, service and maintenance truck partner of FAW in Zambia and in Malawi.

"In 2015 FAW Vehicle Manufacturers built and sold over 1,000 trucks into the southern African region. With the formidable experience of a partner such as AMH in Malawi and Zambia, plus our own expansion further into Africa, we have set our sights on 5,000 trucks per annum to

be sold in the near future," said Zhijian Wang confidently.

The greatest advantage for South Africa underpinning this agreement is that all the FAW trucks sold into sub-Saharan Africa are being manufactured locally at the Coega plant based near Port Elizabeth.

Opened in 2014 the

FAW Coega plant has extensive capacity to expand production to up to 5,000 vehicles per annum. This presents a remarkable opportunity for further capital investment, job creation, greater localisation of second and thirdtier supply levels, and an expanding vehicle manufacturing sector.

In response to Manuel Pereira de Canha's commitment from AMH, Mr Zhijian Wang, (Managing Director of FAW Import & Export Co. Ltd.) paid respect to the trust and respect demonstrated by AMH in the FAW brand.





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

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



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# African maritime builder's ship comes in

by James Fisher

TIMES have changed and will continue to change for vessel owners and operators. The need to be cognisant of costs, safety, the environment and probably a whole host of additional factors that are waiting to influence maritime operations not just in Africa, but globally means that shipbuilders need to aim to stay apace with developments. There is a need for constant dialogue and we, as ship designers and builders, need to remain at the forefront of the conversation.

We need to bring Africa's unique needs into this discussion and we need to understand that the continent should not be seen as a dumping ground for older generation vessels that no longer meet the stricter regulatory requirements of more developed maritime nations.

That said, it is encouraging to note that more new builds are being produced to meet the very specific needs of the African maritime domain. It's especially encouraging given the current economic realities facing vessel owners and operators.

We need to acknowledge the role that ship designers and builders play in facilitating

the acquisition of new technology. We can no longer simply offer standard hull designs as stock items. We cannot expect to succeed with a one-size-fits-all type of approach that dictates overall cost and functionality. We need to understand the focus on providing better value from a single vessel. And we cannot ignore the needs and challenges associated with after-sales service and maintenance of marine platforms distributed in Africa.

Understanding these factors is at the heart of every conversation we have with potential clients. It's not about upfront vessel cost, but rather about the long-term value achieved through optimised design, multi-purpose functionality and long-term operability.

It really needs to be stressed that the success of today's new builds rests on a greater cooperation between the builder and the enduser. A comprehensive understanding of the nature of the vessel's operational requirements translates into purpose-designed platform that does not require modifications later during the manufacturing process.

At Nautic Africa our innovation team of naval architects and marine

engineers undertake a full application study to determine the vessel's ultimate requirements for range, speed, support competencies and other operational parameters.

rameters.

We believe we have a responsibility to research and share new equipment technology and improved design with our customers and together we agree on technology integration that offers better long-term value and performance.

It's clear that the value proposition of any vessel is intrinsically linked to its economy of operation. Providing the best life-term options requires optimal hull design and propulsion. I foresee further developments in this area in the next decade being driven from not only a cost, but environmental perspective - and I anticipate that this will drive resurgence in new build activity.

Currently, however, there is a greater impetus to provide improved functionality in a single vessel. And, while the buzz around multi-purpose vessels is valid, it is not altogether accurate. More accurately, vessels should be built around one primary core role with the ability to undertake ancillary functions.

Continued on P24

# A first for Africa

### Digital Construction on the map in 2016

By Vaughan Harris, Programme Director for the CIT Summit and Expo.

IN partnership with the BIM Institute, the African Construction Expo and Totally Concrete Expo on 9 -11 May is set to bring yet another first to the construction event arena: the Construction Information Technology Summit and Expo(CIT.)

Simply put, Building Information Modelling (BIM) is the collection of all building data organised into a structured database that is easy to query both visually and numerically. But BIM is all of that and so much more.

Ranging from feasibility analysis of a development to maintenance or demolition, BIM covers the entire leading and managing architecture and engineering process, including estimating and planning. This new process in technology is already revolutionising the way new construction projects are being designed, and how existing building projects are being tackled.

The inaugural, two day CIT Summit and Expo is set to deliver a strategy-focused summit that aims to foster industry dialogue and peer collaboration through insightful keynote presentations and interactive executive discussions while exhibitors will also be show casing their digital solutions.

A successful construction industry is essential to us all and now is the time for us to rethink our quality control systems for us all to benefit from high quality information technology that is constructed and developed efficiently for a construction environment to thrive. At its worst the South African industry construction displays poor standards and a lack of sustainable development, but there is no doubt that substantial improvements in quality and efficiency are possible.

The BIM Institute aims to see these dramatic improvements come to life by helping deliver the standards and requirements of the Building Information Modelling Strategy for Africa and promote the software and IT processes and standards required to strengthen South Africa's construction industry. A large part of this directive to improve the industry and connect key players is to host the Construction Software and IT Summit and Expo.

The Construction IT Summit and Expo will cover a broad range of construction Information technology aspects, from innovative visual design construct solutions, intelligent estimating and ERP solutions, cloud technology, 3D printing for construction and the public will be entertained with virtual enlightment on Oculus Rift and Microsoft HoloLense displaying the future of construction technology. The show will challenge the processes that represent the status quo for the African construction industry, the Construction Software and IT Summit and Expo promises to be the major annual networking event for construction software and IT professionals, that informs, connects and boosts this complex industry and its dedicated players.



# Innovative Technologies Driving Metals Processing in Africa

THE high costs of electricity and need for mechanisation is driving the demand for energy efficient heating and specialized automated processes, in the mining, metals and manufacturing sectors. HPT is a South African technology company focused on the development and manufacture of innovative Heating and Automation Systems for various applications, in the local and international markets. Their award winning induction heating technology is utilised in melting and casting; refining; laboratories; foundries; heat treatment; annealing; brazing; and various other processing applications; both locally and internationally.

In the mining and metals sector their solutions range from melting and casting a few grams for laboratory applications for sample analysis; to bigger systems for cast-

ing gold and platinum ingots; up to large furnaces for smelting and casting a few tons of of gold, platinum, copper, steel and various other metals. Key to HPT's technology is the combination of cutting edge power electronics; innovative system design and high levels of automation; which allows them to produce complete heating solutions that are energy efficient, safe and very ease to use.

HPT have a range of products specifically for small scale gold mining operations, to melt and pour gold; and have recently launched a gold atomization system, which allows refiners to produce fine gold powder; which significantly decrease the time taken to refine their gold, or other metals.

HPT has supplied numerous systems in West, Central and Southern Africa. A critical contributing factor to the success of these installations has been that HPT's technology is fully manufactured in South Africa, and thus designed to be robust and reliable in the African environment.

In addition to their wide range of standard products, they also produce custom designed automation solutions for various manufacturing applications. This includes everything from initial concept testing all the way up to manufacture and implementation of the system or production line. In applications that are highly repetitive; or dangerous for operators to operate in; complete robotics solutions cab be provided.

All their systems are fully designed and manufactured in South Africa, which allows them to provide a very high level of technical support.

Remote monitoring and fault diagnosis can also be provided to minimize downtime.



#### Montague Gardens and Marconi Beam seek to clean up their streets

Continued from P2

be borne by all property owners

- Costs are borne in proportion to the value of the property
- The CID approach is holistic
- Provides enhancement of the environment and strengthens investor confidence
- The CID creates a positive identity for the area
- The CID provides private sector management and accountability
- The improvement of property values
- To put forward ideas for change to

#### So what will this CID look like in practice?

A manager will be employed for the district. He will be in charge of the day to day handling of a security company with 24/7 armed guards patrolling the area in vehicles. There will also be two "rent-a-cops" with the power to lawfully write tickets, issue fines and make arrests.

The area will also be policed with 40 -60 CCTV cameras (at least one per street) and number plate recognition recognition cameras at entrances and exits to the area, as well as in high

crime areas.

The manager will also oversee the area's cleaning team, tasked with maintaining the area, pulling weeds, clearing litter, etc.

#### What's next?

De La Porte says that the City of Cape Town has been extremely helpful in setting up this CID. The next step is to prove buy-in from the local property owners. De La Porte says that there is the expected reluctance from some property owners as it does require a top up levy, but asserts that the actual fees

are not excessive.

committee The needs a 50% + 1 buy in to proceed, and has sent out surveys to the stakeholders to do this.

The proposed R5m per annum budget will be split between the local property owners, based on the value of the property they hold.

The committee is also requesting seed money or donations from interested property owners and businesses to help fund the establishment process for the project. The seed money will be refunded as soon as the CID is established.

## Thorough mixing for product quality and reduced maintenance time



TANK mixing eductors are widely used to effectively and efficiently mix tank solutions. Offering many benefits over other approaches such as pipes with holes, liquid agitators and pumps, tank mixing eductors feature different operating principles and are available in many styles, sizes and materials. Used in anodizing, cleaning, electroplating, mixing, paint booth, phosphating, plating, rinsing and stripping applications.

Tank mixing educator benefits

- · Ensure homogeneous fluid mix throughout the tank.
- More thorough mixing results in solution uniformity - temperature, pH level, solids/ gas dispersion and chemical distribution – to help ensure product/ process quality
- Eliminates sludge build-up and minimizes tan cleaning time
- · Enables the use of small pumps to circulate large volumes of tank solution
- Smaller pumps are less costly to purchase
- Smaller pumps are less costly to operate

SKETCH 2015/857

Simplifies operation and maintenance no moving parts

Eliminates the need for compressed or blower air and the resulting oil contamination and/or ventilation prob-

Tank mixing eductors are available in a variety of styles providing a wide range of flow

lems

rates and effective flow fields. Sizes from 1/4" up to 4". Materials of construction – Kynar, Polypropylene and 316 Stainless steel.

A new guide to Optimizing In-Tank Agitation and Mixing Using Eductors is now available.

This 12-page bulletin

provides information on tank mixing eductors to ensure thorough mixing, improve product quality and reduce maintenance time. Guidelines are provided to help you select the best educator for your application.

Spraying Systems Co. is a global spray technology company. It has a broad product range in the industry, several manufacturing facilities and sales offices in more than 85 countries.

Spray nozzles, turnkey spray systems, fabrication custom and research/testservices coming prise the 75-year-old company's offering.

### **Headwinds for Brimstone**



empower-LOCAL ment group Brimstone Investment Corporation appears to be battling to find its sea legs after an ill-timed foray into shipping and logistics giant Grindrod. The sea has always been central to Brimstone's investment philosophy - having invested in fishing groups Oceana and Sea Harvest when the empowerment group was launched in the mid-nineties. While the fishing investments have rewarded Brimstone richly over the last two decades, the latest maritime thrust will test Brimstone's resolve to endure choppy waters.

Brimstone made its initial investment in Grindrod in mid 2014 as part of a BEE consortium in a R1.6bn empowerment deal. The consortium would hold an 8,4% stake in Grindrod, buying the shares at an effective R25/ Brimstone's share. portion of the deal was a cash payment of R450m, garnering a stake of nearly 5% in Grindrod.

Grindrod is one of the best known companies in South Africa, having carved an impressive niche in the shipping segment. In recent years, though, Grindrod - with sales topping R14bn a year - complemented its shipping core to build a company that provides 'end-to-end solutions' for the movement of cargo by road, rail and sea. The company utilises specialised assets infrastructure and focused on dry-bulk and liquid-bulk commodities, vehicles and containers.

Brimstone's rationale for making a long-term investment in Grindrod cannot be faulted. The business is positioned for African growth - especially in the infrastructure segment.

But then the oil price started to tank, and prospects for so many oil rich African economies dimmed. market Grindrod's value reflected this development - along with lower shipping rates - and the share

price closed the first half of last year at R13,45 from R22,40 at the end of 2014.

In July last year Brimstone took advantage of Grindrod's markedly lower share price and acquired another 1,6 million shares. This moved Brimstone's stake in Grindrod up to 5,2%.

At the end of June last year the 'equity accounted' portion of Brimstone's loss on the Grndrod investment was around R289m an astounding figure considering the initial investment (factoring in the additional shares acquired) of around R500m.

Things, however, have got worse. At the time of writing Grindrod's share price had sunk under R10 on the JSE – the lowest level seen the share price in more than five years. Brimstone's predicament is whether to wait for the trading tide to change ... or it can hoist the main sail ahead of stronger to economic breezes by buying up even more shares in Grindrod.





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# Viega Easytop circulation regulating valve for line and multi-storey installations

VIEGA has developed the new thermally controlled Easytop circulation regulating valve with integrated shut-off especially for complex hot water systems typically found in multistorey apartment accommodation.

The Easytop valve is essential for the hydraulic balancing of hot water circulation systems ensuring reliable supply and temperature retention with the possibility of accommodating thermal disinfection. The system can be installed in the riser pipes as well as in storey manifolds, replacing static valves



often located in inconvenient positions in a flow system.

Hydraulic and temperature balancing can be especially difficult in multi storey applications and the Easytop valve can be installed in any type of

system design, regulating temperature within a 5°C range and being fully adjustable between 40 and 65°C. This is accomplished with a simple Allen key adjustment.

The range includes circulation Easytop regulating valves comes with 20mm (3/4") or 25mm (1") screw connections and if necessary, can be retro-fitted with an electric drive and /or a thermometer or a temperature sensor via a special inlet. The new Easytop circulation regulating valve can be installed in riser pipes as well as in storey manifolds.

#### rica has embraced newer models of business to create more opportunities for economic growth. Driven by supplier diversification, economic transfer and building a more dynamic local content procurement approach, enterprise and supplier development (E&SD) is becoming a global action to inspire economies and

Africa turns to small business sourcing

and enterprise supplier development

a footprint and business opportunities for SMMEs, both locally and internationally?

create jobs. Key to this

achievement is the role played by procurement

and policy makers in

driving local sourcing

and developing small

businesses into real

But how do pro-

curement and supply

chain executives get

involved? Where do

key policy makers fit

walking the talk? What

play in creating wider

or T: 0861 334 326 ext 601, E: info@smartprocurementworld.com

industry players.

Through the discussion achieved at the Africa Sourcing and Enterprise Summit (1-3 March 2016, Cape Town, South Africa,) which is co-located with one of Africa's longest standing and largest procurement and inbound supply chain indabas, Smart

Procurement World.

"The summit will be an eye-opener and will reflect on how trade policies can make or break the African economy and how we can join voices and create sustainable growth of Africa's small businesses," says Dr Mohan Kaul, Conference Chairman and Executive Chairman, Commonwealth Investment Corporation.

Dedicated ment officials will deliver ministerial keynote addresses aimed at highlighting what big business and government can do to ensure long-term SMME success. South Africa is pleased to host the current confirmed dignitaries: Minister Margaret Mwanakatwe, Minister Commerce Trade and Industry, Zambia; Minister Amelia Kyambadde, Minister of Trade, Industry Co-Operatives, and Uganda and Minister Ekwow Spio-Garbrah, Minister of Trade and Industry, Ghana.

"With an imperative on local growth and sourcing, the dialogue at the Africa Sourcing and Enterprise Summit will focus on stimulating Africa's SMMEs globally and locally through innovative big business and trade linkages," notes Debbie Tagg, COO, Smart Procurement.

The summit invites policy holders, representatives from E&SD. economic development, chambers of commerce, banks, development banks, building society banks, small business development agencies, incubators and funders to share in the dialogue at this notable annual event.



**Development**Expo





# Energy price increases only expected to equalise by 2022

ALL cities in South Africa will face an electricity tariff increase of at least 16% in July if Eskom is granted approval to cover a R22.8bn adjustment for the 2013/2014 financial year. This is one of many exorbitant tariff increases forecasted until 2022 and onwards when electricity price increases are expected to match up with Consumer Price Index (CPI) - according to the latest energy forecast conducted by Energy Partners, a leading energy solutions provider in South Africa.

Mila Loubser, Head of Energy Reporting at Energy Partners, points out that the historical impact on actual domestic tariffs for a typical consumer in residential areas will have increased from R0.14/kWh in 1988 to R2.18/kWh in 2016 if this latest increase application

is approved.

"Our forecast further predicts that the electricity cost for the average South African household will increase from R13,509 per annum to R15,696 in one year's time, R25,206 in five years' time and R30,360 in eight years' time. This will mean a cumulative increase by 93% over an eight-year period."

Loubser says that an annual increase of around 13% is expected up until 2019, after which increases are expected to drop to 8% per annum.

"Our data suggests that the power situation in South Africa will only fully stabilise by 2022 when a reliable energy supply and standard increases can be expected to be established once more."

She adds that the forecast was based on Eskom's 2015 submis-

sion of an application for price increase of 25.3% as a selective reopener of NERSA's third multiyear price determination (MYPD 3.)

"This application was rejected in June 2015 due to significantly overstated costs and a lack of credible long-term planning and certainty. In light of this rejection, Eskom will have to borrow funds in order to close the funding gap of R200bn up to 2018."

Due to current circumstances and difficult environment for the industrial, commercial and residential sectors, it is vital to implement smart energy usage, says Loubser.

"A first step for busi-

nesses and households is the development of an energy management strategy to decrease consumption and lower the base that is used for multiplication with new increased tariffs. Energy Partners have decreased the consumption of our top 10 clients on average by 23% and saved more than R1.5bn in a five-year period, simply by implementing energy management programs."

She explains that these energy management programs can be implemented quite effortlessly if the consumer partners with an expert.

"Once these programs are running, further opportunities for saving and optimisation like solar power generation and efficient water heating are constantly identified and executed to further increase overall savings substantially."

Loubser stresses the importance for energy users to consult with an energy solutions provider that has access

to a sophisticated tariff calculation engine.

"These calculators can simulate different scenarios of consumption during different periods of the day. This process enables the organisation to identify energy intensive processes and machinery and also sheds light on their tariff system. A simple example of effective load management is to run energy intensive machinery during off-peak times when a lower tariff rate is charged."

"With a cumulative increase of 93% expected over the next eight years, no organisation or household can really afford not to monitor their energy usage, especially in light of the significant savings these initiatives can yield by using only the existing energy infrastructure," concludes Loubser.



Mila Loubser, Head of Energy Reporting at Energy Partners.

# Sub-Saharan Africa's "largest" gas engine power project

CUMMINS Cogeneration Limited (CCL) headed up by Deepak Khilnani – and WUTA Energy are set to commence the development of a 140MW gas-fired power plant. Based in Beyin, the plant is the first phase of a 300MW Power Purchase Agreement to supply energy to the Ghanaian Grid, and once complete, it will be the largest gas engine power project in sub-Saharan Africa.

After successfully operating 100MW of gas-based power projects in Nigeria, the clean energy group is set to introduce the same core technology to Ghana in 2016.

The facility will make use of Ghana's substantial natural gas reserves and will be the first development in the region to utilise Organic Ranking Cycle, which captures waste heat from the plant to additional generate energy. This not only delivers a notable economic benefit, but also significantly improves the environmental impact of the power plant.

At a time of regional concern surrounding the growing need for power, the announcement of the production of clean and affordable energy is one most welcome to the Ghanaian community.

On the project, Deepak Khilnani, Chairman of CCL said, "Since the discovery of Ghana's natural gas reserves, it has been expected that gas would play a prominent role in the country's energy sector. As a leading organisation in this in-

dustry, CCL is thrilled to be taking steps towards meeting Ghana's energy needs."

Further to the improvements to the Ghanaian power supply, as well as the environment, local workforces will be contracted to construct, operate and maintain the plant.

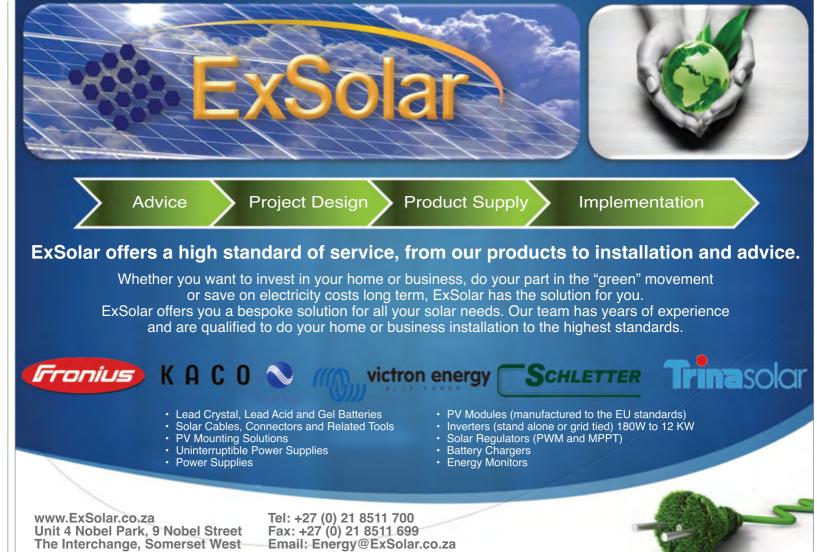
"We want to utilise the energy and talent of local Ghanaians to make this project a social, as well as an economic success. We firmly believe it will have a positive impact on both short and longterm local employment," says Khilnani.

David Brigidi, CEO at WUTA Energy, echoes this sentiment, "We believe that this project will continue to drive development in Ghana and look forward to working together with Deepak Khilnani and CCL to generate long-term power solutions for Ghanaian communities."

CCL is also keen to explore similar power projects outside of Ghana. Through its Nigerian subsidiary, Cummins Power Generation Nigeria Limited, the Company has been actively exploring investment opportunities in larger grid connected independent power projects and is currently poised to finalise agreements for two large projects in the Delta region of Nigeria.



Deepak Khilnani, Chairman of Cummins Cogeneration Limited and David Brigidi, CEO of WUTA Energy, announce gas-based power project.



#### 12 CBN February 2016

# PE solar company grows to power Africa

SOUTH Africa, Africa and global export markets have opened up for solar photovoltaic power installations. According to the company, the recent depreciation of the currency is making PiA Solar SA (pty) Ltd. a sought after solution for the supply and installation of their solar mounting solutions.

Solar tracking systems increase the output of solar installations by ensuring that the panels are working at optimum efficiency throughout the day by following the sun.

Elizabeth-Port based PiA Solar has developed both the solar structures and the software for the tracker, which supports solar panels. This, says the company, is the only South African designed and manufactured product that has been selected for the South African REIPPP projects. The system was also selected by the CSIR in Pretoria and has been successfully installed, commissioned and currently pumping MW's of power per day into their grid.

With PiA Solar's recently awarded projects of 90MW in De Aar and 86MW in Prieska, PiA Solar now is one of the largest suppliers and installers of solar structures in South Africa.

The PiA Solar team is currently working on both of its sites, installing around 9,000 solar panels per day and soon will hit their one million installed milestone. The company expects to supply around 10,000 tons of locally-produced steel for the solar farms it is currently building.

The competitiveness of the renewable solar energy market makes it imperative that new installations are as efficient as possible. and t

"The innovative PiA Solar tracker perfectly fills the gap, thus offering our clients a true cost effective solutiuon," says Colin Muller, the co-founder of PiA Solar.

"The ISO 9001 quality certification achievement proves we are serious about our manufacturing, supply and installation business. This has given the company a definite export boost," he adds.

'Most of the international companies in the solar sector will not work with suppliers unless they are ISO certified. As the sub-structure first designer, manufacturer and installer in South Africa to obtain ISO certification we can now compete directly against international companies,' Muller continues.

The company has grown to be one of Africa's biggest installers of solar projects since being awarded the contract to design, manufacture and install the frames for the 75MW Kalkbult solar project in the Northern Cape. This project was awarded to Scatec Solar in round one of the Renewable Energy Independent Power **Producer Procurement** Programme (REIPPP.) Using patented PiA Solar anchors and the company's own mounting system.

The project was completed six weeks ahead of schedule, PiA Solar has since been involved in the installation of 400MW of solar panels - 260MW of this is housed on PiA Solar structures.

"PiA team on site set a new industry standard by installing up 9,156 modules in one day on one site," boasts Muller.

PiA Solar has supplied and installed some 300,000 of its patented rock anchor. PiA Solar is currently installing the rock anchor at an impressive rate of over 3,000 units per day on the two current solar farms.

Muller says the success of the company is vastly due to them using best practice from their previous experience as suppliers to the Eastern automotive Cape manufacturing sector.

"We create what are in effect giant factories on site," he says.

Axel Pustet, PiA's director of business development, has been in Uganda and Ghana and Namibia finalising future export projects. PiA is at present also supplying solar structures to Zambia.

"Now, with the tracker we are able to offer

PiA Solar SA ( Pty ) Ltd - Registration Number 2012/022535/07 VAT Registration Number - 4450 260 825 Directors: Colin Muller (CEO) | Axel Pustet (CSO) | Venance da Silva

the full range of mounting equipment - from rooftop to utility-scale. Not only that, we have a proven track record of being able to install the panels on time and on budget under very difficult working conditions," Pustet says.

"Our greatest pride is that during this poor global and national economic situation, PiA has created more than 10.000 man months of employment, of which more than 8.000 were in the traditionally disadvantaged rural areas."

"As for the environment, we have developed what we believe to be a fully modular mounting system that is easily adjustable and can be installed on the virgin, undulating terrain without removing any of the sensitive Karoo vegetation," he continues.

Combining its recently awarded ISO 9001 with its existing project success in the supply and installations to the African solar market make PiA Solar a proud partner of choice for future projects.

# Reliable control of analytical measuring points with 100% signal integrity



THE new Liquiline To Go CYM290/CYM291 multiparameter handhelds for pH, conductivity and oxygen measurement, bring reliability and safety directly to the sample point. The portable instruments guarantee stable measuring values and easy control of measuring points in all environmental conditions.

Whenever and wherever a pH, conductivity and oxygen value needs to be controlled Endress + Hauser's Liquiline To Go meters provide correct values with 100% signal integrity. They are equipped with Memosens technology that converts the sensor values into a digital signal and transmits

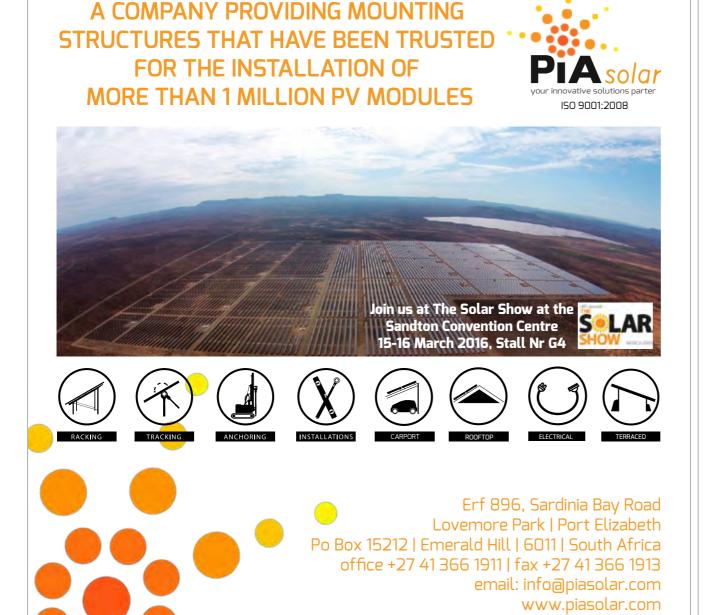
interference-free. The result are reliable measuring values with which the user can take correct and appropriate actions fast to keep the process running under optimal conditions.

Grab sample analysis with different technologies as installed in the process, often leads to inconsistencies and measurement discrepancies. Liquiline To Go handhelds allow the use of the same robust Memosens sensors as in the process. This guarantees a full data consistency between lab and process measurements and maximises the reliability of the grab-sample results.

Both Liquiline To Go versions can be used in the most challenging environments. The robust housing with ingress protection to IP66/67 brings a large improvement for the safety in many process industries. A fast control of measurement values directly at the sample point is now possible, with a minimised risk of sample contamination. In addition to the CYM290 version, the CYM291 ATEX/IECEx certification allows process control also in hazardous areas.

Designed for easy handling, the Liquiline To Go meters have direct menu-guidance on the display and same function behind the keys for each parameter. Additionally, they facilitate the exchange between different sensors and parameters - directly at the sample point with hot plug and play of pre-calibrated sensors.

Endress+Hauser is a global leader in measurement instrumentation, services and solutions for industrial process engineering. The Group employs more than 12,000 personnel across the globe, generating net sales of EUR2bn in 2014.





# Sea Harvest packs for Perth

CAPE TOWN's iconic hake company Sea Harvest has surprised the old salts in the fishing industry by casting deep into international waters. In early January Sea Harvest - which has a large production plant based in Saldanha Bay - announced a 19,9% investment in Mareterram Limited, a specialist fishing company-based in Perth and (recently) listed on the Australian Stock Exchange. The move was largely unexpected with Brimstone, the controlling shareholder on Sea Harvest, seemingly intent on pursuing organic growth by building additional non-seafood frozen food ranges.

Mareterram is vertically integrated agri-business with operations that span wild caught king and tiger

prawns as well as scallops and a seafood distribution business (that has long distributed Sea Harvest's brands in Australia.)

Sea Harvest ĆEO Felix Ratheb said the investment in Mareterram allowed the company to diversify its earnings away from a single specie hake resource.

"It gives us a firm foothold to increase our market share and presence in Australia in a hard currency."

Sea Harvest chairman Fred Robertson noted that Mareterram strategy was very much aligned to that of Sea Harvest.

"It is centered on using a platform of wild caught, MSC (Marine Stewardship Council) certified seafood to build a broader-based food business."

Mareterram comprises two main segments, Nor-West and Craig Mostyn the Group (CMG,) which combine into a fairly substantial operation.

Norwest is mainly a prawn fishing company with revenues of AU\$14m (R160m.) It also fishes for scallops, crabs, scuttlefish and squid.

CMG distributes frozen seafood, potato products and a range of convenience foods to food service and retail customers in Australia. The company's turnover in the 2015 financial year was AU\$34m - equating to around R360m. This should add a chunky rand hedge element to Sea Harvest's seafood basket.

Sea Harvest ranks as one of the largest vertically integrated companies fishing in South Africa with operating profits increasing 35% to close to R90m in its last financial year. The company owns 12 deep-sea fishing trawlers, and is regarded as is the leading brand in the South African frozen fish segment with over 40% volume share.

Last year Sea Harvest reported sales volumes increasing 6% on the back of strong growth in export markets.

Aside from an existing presence in Australia, Sea Harvest also has a presence in the US and European markets.

It should be fascinating to see if Sea Harvest - encouraged by Brimstone – opt to pursue a bigger stake

in Mareterram in the years ahead, or if there are further deals that Sea Harvest can land locally and abroad – to diversify the seafood base further.

Last year Oceana - a diversified fishing company in which Brimstone is an empowerment partner - made its first big splash in international waters when it acquired Louisiana-based fishmeal and fish oil specialist Daybrook Fisheries.



Sea Harvest CEO Felix Ratheb.

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### Oceana decision not to be sniffed at

COMMON **SENSE** appears to have prevailed as regards Cape Town-based fishing conglomerate Oceana's Hout Bay fishmeal factory - although a foul odour is likely to linger. Oceana has recently faced some strong criticism from certain Hout Bay residents around a potent stench coming from its fishmeal plant. Oceana concedes the plant emits odours that - under particular wind conditions - impact directly on sections of the neighbouring community.

In response to these concerns, Oceana has over the past decade invested in state-of-the-'odourabatement' technology. For the past three years the company has also reduced production at the plant to less than 40% of normal annual production - while retaining all employees on full salary. Oceana CEO François Kuttell noted that while this had a significantly negative impact on the financial viability of the business, it did not result in a reduction in the number of complaints received.

The interesting aside, of course, is that the fish meal factory has always been in compliance with legislation and is situated in a demarcated industrial zone. Perhaps, more importantly, the fishmeal plant started operations when Hout Bay was still a fishing village rather than the current suburban sprawl. That has not stopped certain segments of the Hout Bat community who Oceana claim are increasingly vocal on social media through the forum of the Fresh Air for Hout Bay stakeholder group - intensifying their complaints about the plant. Matters escalated to quent a level where Oceana in August last year initiated a Section 189 process in terms of the Labour Relations Act with employees at the Hout Bay operation

closure of the facility. Kuttell pointed out, "In doing so, we made it clear that we would offer jobs to all affected staff in our operation on the West Coast, in St Helena Bay, or provide training to those not wishing to move."

regarding the proposed

But the proposal to close the plant was met with strong opposition from employees, unions and the local communities from where Oceana's employees are drawn. They argued that the plant and its associated activities provided much needed socioeconomic opportunities to key sections of the community.

Kuttel said the closure proposal prompted numerous subseconsultations with various parties - including affected employees and their representatives, community stakeholder organisations as well as various national, provincial and local government departments.

"We were determined to find a solution that would be in the best interests of the community as a whole, and are continuing to consult with all concerned stakeholders prior to taking a final decision.'

Kuttel said Oceana was overwhelmed with the support received from the broader Hout community as well as FAWU (Food Allied Workers and Union) representatives who demonstrated their firm commitment to the continued operation of the plant. A march was staged to the City of Cape Town's council offices and a petition lodged in

September 2015. In the end Oceana decided to continue with the operation of its fishmeal operations at Hout Bay.

Kuttell added, "We are pleased that this decision has been met with the resounding approval of our employees, their union representatives, the broader Hout Bay community as well as the various regulatory authorities."

He said, however, that Oceana anticipated it would continue to receive complaints and objections from certain residents.

"But we remain committed to continuing with plant operations that are aligned with international best practices, to actively research technologies that enable continuous improvement in production and odour abatement and to remain in compliance with all relevant legislation."



# Scheme aims to support black industrialists

TRADE and Industry Minister Rob Davies has reiterated that the Black Industrialists Scheme provides measures aimed at supporting majority black-owned manufacturing companies. Provisions of the scheme include access to finance, markets, skills development and standards, quality and productivity improvement.

Davies and Deputy Minister Mzwandile Masina launched the scheme in the beginning of February in Pretoria. In a statement, Minister Davies said the scheme targets entities that have extensive experience, operations and track record in their respective or envisaged industrial sectors and value

chains. The scheme targets those entities that can become real players in domestic and/or global markets within ten years of being in the program through new operation or business start-up, current expansion business and acquisition of an existing business.

"The Black Industrialists Scheme offers a

cost sharing grant ranging from 30% to 50% to approved entities to a maximum of R50m. The quantum of the grant will depend on the level of black ownership and management control, the economic benefit of the project and the project value."

'This will cover capital investment costs; feasibility studies towards a bankable business plan (to the maximum of 3% of projected investment project cost;) postinvestment support (to the maximum of R500,000;) and Business Development Services (to the maximum of R2m,)" said Davies.

Entities that operate in the blue/ocean economy, including vessel building and repair; oil and gas; clean technology and energy as well as mineral beneficiation among others are the ones that can receive assistance.

Other incentives of the dti that are available to support the Black Industrialists projects are Export Marketing and Investment Assistance (EMIA;) Critical Ìnfrastrúcture Programme (CIP;) Support Programme for Industrial Innovation (SPII;) Technology and Human Resources for Industry Programme (THRIP) and Special Economic Zone (for black industrialists locating or having a linkage to SEZs or Industrial Development Zones.)

# **Energas Technologies** set for Africa Energy Indaba

SUPPLIER of high-end and specialised equipment to the oil and gas industries in Southern Africa since 2001, Energas Technologies, in partnership with Turboden, will be in attendance at the prestigious Africa Energy Indaba taking place from 16-17 February at the Sandton Convention Centre in Johannesburg.

The Africa Energy Indaba is an important event on the energy calendar, not only for South Africa, but Africa as a whole. The event aims to bring suppliers, decision-makers and key role-players in the energy sector together for two days of knowledge sharing and networking for a more connected, driven and forward-facing industry ready to harness Africa's energy potential.

Energas Technologies, whose mandate is to help its customers unlock savings and productivity through its dynamic energy solutions, will be attending the Africa Energy Indaba for the first

time this year. Comments Laetitia Botha, Energas Technologies Product Engineer, "In our role as suppliers of world-class equipment to the local oil and gas industries, we are naturally interested in finding solutions to South Africa's energy requirements and to finding innova-

tive and reliable energy solutions with which industry can operate optimally. For this reason, we partnered with Turboden, a leading European company that specialises in the development and production of ORC (Organic Rankine Cycle) turbo generators, in 2015." Turboden's state-of-

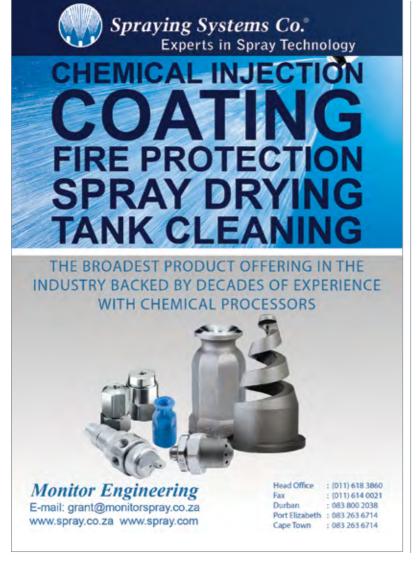
the-art equipment generates heat and power, suitable for distributed generation, from renewable sources and heat recovery in industrial processes, waste incinerators, engines and gas turbines. Energas Technologies, in partnership with Turboden, will be showcasing Turboden's ORC turbo generators at the Africa Energy Indaba.

"Turboden has a significant global footprint with over 310 plants in 33 countries across the world. Our partnership represents a mutually beneficial exercise in bringing their state-ofthe-art technology to South Africa," notes Botha, adding, "The Africa Energy Indaba has become the foremost forum for debating and sharing solutions for Africa's energy challenges. The event's touch points include African power suppliers, alternative and renewable energies, oil and gas, legal regulatory frameworks, and investment opportunities in African energy projects, to name a few. The event has developed into a pivotal platform for African and international stakeholders doing business in Africa's energy sector, which is why we believe it represents a great opportunity for Energas Technologies and Turboden to showcase the latter's ORC turbo generator solutions."

Energas Technologies is at the forefront of experiencing how electricity powered by natural gas is increasing in the local context. The company's main focus is designing and building High Pressure Customer Metering Stations (HPCMS) that feed natural gas at a reduced line pressure to gas power plants in Africa. "Our most recent project was an HPCMS station for Gigawatt in Ressano Garcia, Mozambique, where the plant was delivered within budget and ahead of schedule. This is one of our many African energy success stories that light the way for the sector and that prove that industries can become independent of the national grid's energy supply and operate more efficiently overall. This is the type of message we want to share and leave with visitors at the Indaba," says Botha.

"While the energy sector in South Africa, and Africa at large, has its challenges, such as a focus on upfront capital investment without fully appreciating this investment's capacity for creating long-term savings, challenges represent opportunities. One such opportunity is the Africa Energy Indaba. For us, this event represents a unique platform to engage with the sector, to tell our story, and to collectively imagine – and plan for – an Africa without energy constraints," she concludes.

Find Energas nologies at booth D9 at the Africa Energy Indaba, where you can talk to our representatives and learn more about our products and services. For more in-depth learning opportunities, take part in its half-day workshops in boardrooms 6 and 7 on level 2. These will include ORC & Waste Heat Recovery (9:00-12:00 on Thursday, 18 February) and **ORC** and Renewable **Resources** (13:00 -16:00 also on Thursday, 18 February.)



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# Proper maintenance will see you through

my and a depressed oil price are combining to shift the emphasis from capital purchases to implementing a strategy of effective maintenance of machinery already installed at South Africa's petrochemical refineries and chemical plants.

One company well positioned to supply effective maintenance and operational support is AESPUMP, the authorised channel partner and service provider for Sundyne, Sunflo, Ansimag and HMD pumps and compressors.

The company offers a multi-faceted service strategy that sales and marketing director Neil Britz explains is centred around delivering a trouble-free customer experience.

"A big part of the service offering is effective management of the equipment lifecycle, because the process environment in which the equipment resides will inevitably experience changes due to different operating demands, explains Britz.

Industry compliance, changes in standards, and changes in the process itself are typical examples of changes that can cause a chain reaction of events, and adversely affect the key efficiency points.

"The result can be increased power consumption, suction or discharge recirculation, temperature rise cavitation," and/or warns Britz.

AESPUMP's swer to these problems is a re-rating service geared to ensuring that the Sundyne pump compressor is operating at its best efficiency point.

accomplish "We the re-rating on site, without disrupting the process piping or installation," says Britz, "and the preventative maintenance service includes replacement of worn parts such as ball bearings, seals, orings and oil filters."

we follow is to review the original design conditions and define the current plant operating conditions, after which we re-rate the engineering selection to achieve a new performance, specify the new parts required, install them, carry out an operational performance test and then re-start the pump or compressor within the process itself."

"The customer is given a revised expected performance curve, a revised specification

sheet and an updated bill of materials for his records," Britz adds.

Uptime assurance and off-site service support are two other important elements of the AESPUMP service offering.

Uptime assurance is a continuous improvement programme that integrates on-site service offerings for Sundyne products, while off-site service the programme provides for servicing of pumps and compressors at AESPUMP's equipped workshops.

On-site service is greatly assisted by Sundyne's reliability assurance kits, or RAKs, which are portable service packs containing essential service

parts for pumps and compressors, including all design technidata, drawings and parts lists.

The kits focus on maintaining gearboxes and wet ends, and contain either a standard inventory or one customised with content matched to the unique serial numbers of individual Sundyne machines.

They represent progress beyond the traditional approach to spare parts and maintenance. Sundyne's thinking is that the kits will ensure that the end user has the exact parts needed for planned production shutdowns, maintenance or critical repairs, providing a cost effective means

to keep the pump or compressor operating at peak efficiency while maintaining the warranty.

All service kits are conveniently packaged in carrying cases that can be re-ordered using a single parts number linked to the original equipment

**Continued on P16** 



AESPUMP sales and marketing director Neil Britz.



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# **Cutino Bros.** grows

WHAT makes South businesses African stand out? Guts - because when the going gets tough, South African businesses get going - and precision and general engineering company Cutino Bros. Engineering (Pty) Ltd. is no exception. While economists and politicians have been bemoaning the state of the economy, PMIs and fluctuating oil prices, this second generation family business has been expanding. CBN spoke to Contracts Manager Toni Cutino recently to hear about these investments.

Cutino points to the investment and focus on the local oil and gas industries as one of the main reasons the company has increased its

capacity.
"With government's Operation Phakisa rolling out, centered around our local ports - both in Cape Town and in Saldanha Bay - we decided we had to use our geographic We are advantage. conveniently placed to support any oil and gas project that come in, and now have the capacity to do even larger machining projects."

The family has been machining offering services in the Western Cape since 1984, supplying precision machining workshop services and steel fabrications to the paper and packaging, offshore oil and gas and general

construction and manufacturing sectors.

Cutino Bros. recent investments include expanding its workshop space by 700m<sup>2</sup>, adding a 25 ton gantry head crane to increase lifting capacity and acquiring specialised measuring equipment for the oil and gas components.

Not content with just increasing its capacity, the company was ISO 9001 certified (for quality management) in December 2014 and is currently preparing to be audited for ISO 18001 (for Health and Safety.)

The company has been working on a project with a client developing machining processes for oil and gas industry components specifically, although it has a long history as a contractor to larger oil and gas stakeholders.

"We work closely with our clients, their projects are our projects and the focus is on getting the job done," says Cutino. "We pride ourselves on being reliable, and flexible. Two attributes that are key to any solutions provider for the oil rigs.

The company's services include:

- **Turning Capacity** Ø1400mm x 8000mm between centers
- Vertical boring

**Continued on P18** 

### **OGAF** Showcase for oil and gas sector in SA



government's planned investment of R9.2bn to develop Saldanha Bay into a worldclass hub for southern African offshore oil and gas drilling will create substantial opportunities for companies operating in the sector. The Oil and Gas Africa (OGAF) 2016 expo forms an effective services showcase and business networking platform for this rapidly expanding industry.

OGAF is one of five exhibitions that comprise the Cape Industries Showcase (CIS) an industrial expo that attracts many operators, stakeholders, suppliers and service exploring providers opportunities. new OGAF takes place at CIS from 13 – 15 July 2016 at the Cape International Town Convention Centre.

The Saldanha Bay Develop-Industrial ment Zone (SBIDZ) is the first major step in the Government's Operation Phakisa initiative to expand and develop South Africa's ocean economy potential. This is South Africa's first dedicated facility aimed at providing support services for upstream Exploration and Production (E&P) developments in South, West and East African coastal oil and gas fields.

"It's main functions will focus on ship and rig repairs and maintenance, exploration, production and logistics support, and marine/sub-sea engineering and fabrication," says OGAF organiser John Thomson. "The SBIDZ is creating a rapidly growing number of business opportunities for the broad marine and maritime sectors as South Africa accelerates its own offshore oil and gas exploration. In the past four years, almost all offshore exploration blocks are under licence or under application for exploration by independent companies."

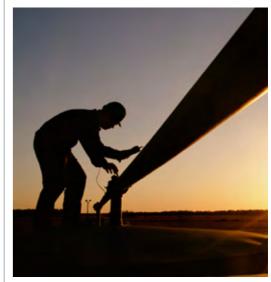
Global heavyweights onboard at OGAF

Making its début at OGAF 2016, Mammoet is one of many companies that have already signed up to exhibit at the show. The company that Mammoet is the world's largest provider of engineered heavy lifting transport services.

"We provide solutions for lifting, transporting, installing and decommissioning large and heavy structures, explains Marketing and Business Development Manager, Ryan Amos. "We are currently running a project in Saldanha Bay for the offloading, transportation and installation of gas bullets for the storage of liquid natural gas."

The Cape Industries Showcase (CIS) combines the Maritime and Offshore Marine Africa Expo, the Oil and Gas Africa Expo, the Cape Logistics expo, the Temperature Controlled Storage and Distribution Expo and the Empowertec Cape SME Expo in one co-located event at the Cape Town International Convention Centre, from 13 to 15 July 2016.

## Sasol obtains approval for Mozambique Field development plan



SASOL has obtained approval from the Mozambique Council of Ministers for its field development plan (FDP) that will see further hydrocarbon resources developed to support Southern Africa growth.

To be developed in phases, the first phase of the Production Sharing Agreement (PSA) licence area development proposes an integrated oil, LPG and gas project adjacent to Sasol's existing Petroleum Production Agreement (PPA) area. The PPA area is where natural gas from the Pande and Temane fields is currently produced and processed in a central processing facility before being transported via an 865km pipeline to gas markets in Mozambique and South Africa.

"The Mozambican gas industry is playing an increasingly important role in the regional energy landscape, and this project represents a major milestone in further developing natural resources, which will significantly benefit Southern Africa" says David Constable, President and Chief Executive Officer, Sasol Limited.

"The PSA development is aligned with our commitment to both Mozambique and South Africa, and will enable us to drive our broader 2050 strategy, which reaffirms Sasol's longer-term role in Southern Africa," concludes Constable.

We have a fully equipped work shop enabling us to carry out virtually any manufacture or repair operation in-house complete with an up-to-date machine shop comprising of Ø1400 swing x 8000 mm between centers lathe, Ø2600 x 1250 mm vertical boring, Ø670 x 1520 mm C.N.C turning, 3000 x 4000 x 1500 mm C.N.C milling and 25 ton lifting capacity.





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### **Proper** maintenance will see you through

**Continued from P15** 

serial number, eliminating the need for the end user to track dozens of numbers in his ERP system.

Typical RAK contents cover the recommended spare parts lists for a Sundyne LMV/BMP pump, a Sunflo pump or a Sundyne LMC/BMC compressor, including the output seal, breather, bearings, a bearing plate, anti-rotation plate and optional lubrication pump. Each kit includes specification sheets and performance curves.

Cases are selfsealing to minimise contamination and corrosion, and used parts are re stocked using kit refills.

# Operational dashboard assists fleet managers reduce costs



Murray Price, managing director of Eqstra Fleet Management.

**OPTIMISING** performance while minimizing costs remains the single biggest challenge facing fleet operators. To do this effectively, operators need to measure fleet performance on an on-going basis.

In a recent white paper aimed at guiding fleet managers to manage costs, Eqstra Fleet Consulting, part of Eqstra Fleet Management (EFM,) suggests that the most efficient way to do this is to set up an Operational Dashboard.

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 expenditure.

"It is important he looks at the bigger picture, rather than focusing on daily operational transactions, as they can give a skewed picture of his fleet," explains Murray Price, managing

director of EFM. The dashboard compiled according to customized 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 utilization, maintenance management, accident reports, fuel reports, driver behaviour reports, vehicle condition reports, and financial status (depreciation schedules, annual cost per units, etc.)

"Experience taught us that the three most important elements of a Dashboard include reducing fleet operational expenses, improving driver productivity, and reducing vehicle depreciation."

offers the Eqstra following tips fleet managers.

#### Reducing fleet expenses

Carry out a quarterly analysis of performance and progress reports to spot trends in vehicle performance and driver behaviour. Quarterly or same quarter year on year analysis of the summarised fleet expense report looks at the progress of all fixed fleet expenses such as depreciation, taxes, and administration fees, as well as variable expenses such as vehicle maintenance costs, vehicle accident repairs, fuel expenses, etc.

With fuel contributing up to 48% of fleet costs, fuel cards are a particularly useful tool in this regard. Information supplied from the fuel card will indicate which vehicles are correctly utilised - swapping routes and improving driver behaviour can make a significant impact on fuel consumption.

#### **Driver productivity**

Driver productivity and behaviour play an important role contributing to vehicle usage maximization and vehicle performance. Quarterly 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 trainthereby improvdriver behaviour and reducing fuel and

#### Vehicle depreciation

This plays a significant part in fleet costs. As it impacts on the vehicle resale value, it must be correctly calculated. When managing vehicle depreciation, fleet managers should consider two elements, these being:

Replacement cycle - consult with the manufacturer to understand and therefore avoid that period where normal wear and tear could cause some form of failure. To allow for good replacement planning, manage replacement reports that monitor service scheduling. Accurate mileage analysis impacts on a number of factors such as the vehicle replacement period, contract restructure,

vehicle swap, tyre replacement cycles, scheduled maintenance, etc.)

· Total depreciation -Fleet managers also need to have a report outlining the total depreciation of the vehicle, including the operational cost accumulated throughout the vehicle's life. A summary of all such costs helps to determine the full selling unit expenses. It is also vital to ensure that the resale market can absorb the price of your vehicle.

· "It is essential to design and manage an appropriate fleet operational dashboard reporting system which shows the fleet manager the status of the fleet at any given moment," concludes Price. "It is important however to focus on the correct data and analyse it carefully to supply the information required. A properly developed report scheduling system will simplify processes and allow the manager to maximize his fleet performance."

### Logistics sector joins Cape **Industries Showcase**

TWO world-class distribution, materials handling and storage expos have been added to the Cape Industries Showcase (CIS) taking place from 13 to 15 July 2016 at the Cape Town International Convention Centre. The Cape Logistics Expo and the Temperature Storage Controlled and Distribution Expo ioin the established CIS events comprising the Oil and Gas Africa Expo, the Maritime and Offshore Marine Africa Expo and the Empowertec Cape SME Expo.

"Cape Town has not had a dedicated materials handling and logistics exhibition in South Africa for many years,' says event organiser

**Continued on P18** 







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### Cutino Bros. grows

Continued from P16

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#### Make headway at the African Rail Evolution Conference

THE first ever African Rail Evolution conference will be taking place on the 12-13 April 2016. This event will be focusing on rail infrastructure maintenance and rehabilitation projects and the investments that will be going into these types of projects moving forward. It is said that 60% of investment in the African rail sector will be going into rehabilitation and maintenance.

This conference identifies the key players and the key projects in the rail sector. This will bring participants from across Africa together to share ideas and strategies. Key presenters from Africa will be delivering insight into the developments in the sector.

Nomfuyo Galeni, Chief Financial Officer of Transnet Freight Rail will be discussing the way forward for Transnet's Market Demand Strategy and how this will impact the rail sector in South Africa. Nkululeko Poya, CEO of the Rail Safety Regulator will be covering how maintenance and rehabilitation can improve safety and reliability in the sector.

This two-day meeting of the minds for the rail sector will facilitate collaboration and growth, by offering participants key takeaways and real life case studies, demonstrating successes and failures. There will be a focus on where the rail sector in Africa is now and what the future will hold for the sector, once the current rail lines are upgraded. We will also focus on where the investment opportunities for the rail sector will be concentrated.

Sponsors will showcase solution providers, with technologies and methods of how to improve the current state of the rail sector in Africa.

Contact Carly Pols on +27 700 4505, email: barry.newman@hypenica.com Go to our website for more information www.rail-evolution. com. Don't let this opportunity to connect fall by the wayside.

#### Futuregrowth Development Equity Fund earmarks R200m for aquaculture investment

**Continued from P1** 

President 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 approximately 316,000 jobs.

Dolf van gaarde, 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 said. "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 said. "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."

### **Logistics sector joins Cape Industries Showcase**

**Continued from P17** 

John Thomson. "Six of South Africa's eight major marine ports are situated in the Western Cape and Eastern Cape, which jointly handled 7.6 million tons of bulk cargo, 3.9 million tons of break bulk and 1.8 million containers during 2014. This clearly shows the

region's importance to the logistics sector, and the relevance of the two logistics expos."

In fact, the component shows of the CIS expo dovetail perfectly with the objectives of the South African government-driven Operation Phakisa initiative. The aim is to accelerate

growth in the country's ocean economy and includes planned ports expansion to handle increased maritime transport traffic and cargo volumes, greater development of the offshore oil and gas industry, and position the Cape as a preferred marine and maritime service

and supply centre. The Cape Logistics expo, located at the heart of the country's maritime, oil, gas, logistics and cold chain centres, brings together customers, suppliers and co-operation partners in a versatile business network environment.

### Strong industry support

A number of leading industry associations are backing the shows, including the Namibia Logistics Association, the Chartered Institute of Logistics and Transport South Africa (CILTSA,) the Railroad Association of South Africa, the Southern Africa Refrigerated Distribution Association, the Southern Africa Shippers Transport and Logistics Council and the Supply Chain and Logistics Group.

"Logistics research and information-sharing is a key activity at CILTSA, and we always support innovators in transport, logistics and supply chain management," says Elvin Harris, President of CILTSA. "The Cape Logistics Expo initiates this with a particular focus on operations in the Eastern and Western Cape, and is a fantastic way to market products and solutions, and to discover latest developments in the industry.'



# **AES** firms win level 4 **BEE** certification

**SISTER** companies AESSEAL and AES-PUMP are to expand their apprenticeship programmes to ensure retention of Level Four BEE certification, recently re-assessed upwards from Level Five. The two companies, which together employ a staff of some 110, have seven active apprentices undergoing alternate terms of theoretical training at Dinyane Education in Secunda, while on-thejob mentorship at the company's Secunda workshops ensures a steady stream of qualified fitters and turners after completion of their two-year course.

An annual intake of between three and five apprentices each year ensures programme continuity, and AES management group believes that the programme is already delivering returns on the investment made in it.

Commenting on the progress of this programme, AES general manager and company secretary Craig Murray said that he believed the training of apprentices and their integration into the group workforce would prove to be the ultimate manner in which to grow South Africa's skills base. At the same time, it would help companies to meet the government's recently revised black economic empowerment targets in the medium term.

The amended regulations issued under the Preferential Procurement Policy Framework Act of 2000 have resulted in substantial reconfiguring of the BEE certification codes, shifting emphasis away from mere BEE compliance towards BEE strategy and true company empowerment.

The AES group's own target compliance would also be helped by ongoing sponsorship of black undergraduates studying towards their bachelor's degrees in commerce and finance, Murray said.

"Our highly rated apprenticeship programme has been at the heart of our recent upgrade to Level Four accreditation," explained Murray, "but we want to expand it further because we believe that this emphasis on skills development will over time lead to a self-correction of the key pillar of black ownership."

Murray said that the new codes, although hard work, are positive in that companies will have to make real changes in order to maintain or improve

their BEE ratings. Although the pillars of the new codes remain substantially the same (ownership; skills development; enterprise and supplier development incorporating preferential procurement) the targets have changed, and companies that fail to achieve the new targets will drop.

"The enterprise and supplier development criteria has changed dramatically, and will lead to every large enterprise applying in-

**Continued on P22** 



AES apprentice at the group's Secunda workshops.

### APE pumps - the pumps at the heart of Africa



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### Modern-day sewerage systems require expertise and reliability



Sewatec pump installed and ready to be put into operation at a local sewage plant.

RAPID urbanisation is resulting in an urgent requirement for upgraded sewerage systems in cities throughout Africa as authorities realise the importance of reliable and efficient pumps to cope with ever-higher volumes on an aroundthe clock basis.

In addition, authorities are increasingly calling on technical expertise to assist in the design and optimisation of pumping systems in order to design sewerage works that are robust enough to deal with daily peaks and troughs, as well as meeting challenges as a result of weather anomalies, storm water ingress and even drought conditions.

At the forefront of sewerage pumping technology is local manufacturer KSB Pumps and Valves - with a

full range of products designed and manufactured specifically to meet the industry's requirements, as well as being rugged enough to handle African conditions. The KSB team also have the technical expertise to design and manufacture bespoke systems where required, or to lend technical assistance and advice to local authorities.

KSB water and waste water projects and applications manager, Hendrik Enslin, says that nowadays technical advice and support is equally as critical as choosing the right system and design in the first place. He adds that with the right system sewerage works should be able to cope with almost any eventuality and remain reliable for more than 20 years.

"In recent times mu-

nicipalities and water authorities across Africa have moved away from a purely costprocurement based model to rather focus on procuring systems and expertise from local manufacturers with a long and reliable track record of quality products backed-up by efficient and reliable service and support."

"We have been in this industry for more than 50 years and are still standing-by and supporting some of the original old pumps that remain in operation today. That says a lot about our commitment to support our products in the field, as well as the quality of the pumps that we produce. That is the main reason why water authorities are turning to us to maintain and install systems around Africa," Hendrik says.

He explains that the current requirement is for long-life pumps with ease-of-maintenance and interchangeability in case of problems. Due to economic constraints it is no longer viable to simply replace pumps and the trend is rather to install serviceable pumps that can be maintained quickly without major disruption to the system. The systems themselves are being designed with multiple layers of redundancy with standby pump and circuits available when necessary. Simultaneously there is a move to using appropriate technology in the right application that equipment is designed for application rather than simply "making a plan" with the next most

"That is the benefit of dealing with KSB and

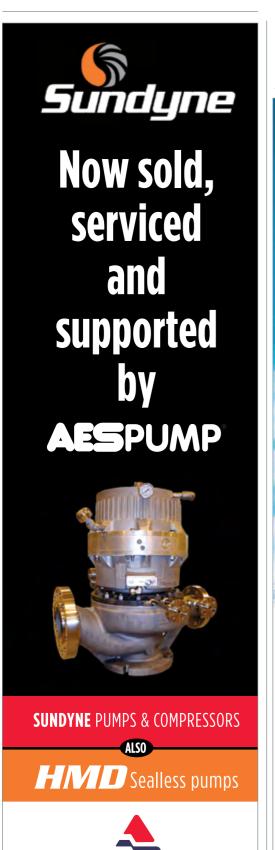
suitable solution.

mous range of pumps valves and related equipment, as well as having the ability to design and manufacture bespoke pumps right here in South Africa,' Hendrik adds.

KSB Pumps and Valves has a wide range of fit-for-purpose pumps in a variety of different materials to suit conditions. The headline sewer range includes Sewatec purpose-built sewerage and waste water pumps with run-dry capability and double mechanical sealed system for reliable long duration pumping without maintenance.

The KRT range of wet and dry application pumps are sophisti-cated pumps designed to work in submersible, semi-submersible and dry conditions allowing

**Continued on P27** 



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### My boss is tracking me! Now what?



SO, management has decided to implement some kind of new software or tool or solution or whatever. The boss can now see what you actually get up to during the day. First of all, stay calm and keep selling. There is no need to panic just yet because, chances are. they are not out to get you specifically.

Right off the bat, let me tell you that sales management tools are the way of the future and that tracking is not something you can run from. (See what I did there?) Adopting new technology is critical for businesses to stay profitable and field staff location awareness is part of the best new business optimisation systems. It won't be long until everyone who is anyone will have employed some kind of field staff tracking component. The best way to approach this is to learn how to use such a system to your advantage this early in the game and get ahead of those who are still moaning and whining. It might also be a good idea to try and steer the boss toward something that you know will work for you and not just for him.

Now, let's make a clear distinction between a tracker and a mobility solution, because they are completely different tools adopted for completely different reasons.

Trackers are devices that show the movements of individuals and vehicles; that's it, no more, no less. It draws a line on a map, showing where a specific person is moving at all times. These devices are generally implemented for two reasons. First, the company is racking up big mileage bills and management wants to know why. In this case, a tracker can actually help eliminate waste. Second, and this is the scary part, management is unhappy with the performance of sales staff and wants to keep a tighter eye on their whereabouts.

Sales mobility tools, on the other hand, are focused on streamlining business by enabling real-time order placing, credit note generating, and file sharing. They generally include a tracking component but this is used by managers and sales staff alike. The benefit of having a tracking component built into a system like this is that it helps sales staff and management plan better routes and cut down on travel time. The whole point of adopting a sales mobility tool is to support the sales team, not police them.

Managers love tools like this as automation eliminates the need to do manual sales reports and it keeps field staff accountable. This, however, is not something to fear, as ultimately a mobility system will increase your effectiveness as a sales representative and will make your job easier, which in turn leads to happy management. So yes, your boss can now see exactly what you did today, but so can you, and you can use this information to be more productive tomorrow and rack up bigger commissions.

# **Integrated security** systems improve business efficiencies

THE danger in creating silos of the separate elements of a security system is that full functionality cannot be achieved since these elements are unable to communicate effectively. The end result is a system that falls short of its possible potential to provide organisations with a solution that leverages the full functionality of the individual parts of the whole.

According to Gus Brecher, CEO of Cathexis Africa, the biggest challenge in implementing integration is acquiring buy-in from all stakeholders. This includes the suppliers/ manufacturers of all the equipment to be integrated; the end users and the various managers thereof, as well as the system integrator.

"This is especially the case where the third party systems are being managed by different divisions. For example sometimes the time-and-attendance system may be controlled by HR, and the surveillance system and alarms panels by the security team. Or in a bank, the money counters are the realm of the bank managers, while the CCTV system fall under the security team."



The primary objectives of a good integrated system are to improve control room effectiveness and efficiency; to facilitate video verification of events/transactions from the various systems; and to provide business intelligence. In order to achieve this, the system needs to provide a userfriendly interface with automated actions and control room operator notifications and also provide easy to retrieve information.

Integrated systems can dramatically improve the control room environment. "When so many events are being received in the control room, it is almost impossible for the operators to perform their jobs effectively. An integrated solution can make automated decisions in the control room environment to assist the operator to take fast, effective ac-

tions. On top of that, it is far easier to retrieve forensic information from the system," says Brecher.

In addition to integrating the access control, CCTV surveillance, perimeter and fire detection systems, it is advisable to adopt software which is geared around pulling all these elements together and allowing management to mine data that will benefit the organisation.

Cathexis provides video management software that has been integrated with access control, fire panels, alarm panels, money counters, weighbridges, fence monitoring systems and point-of-sale systems. CathexisVision software suite enables video to be associated with transactions from each subsystem and stored in a database for data-mining. The

**Continued on P26** 

# **Atlas Copco ranked** top machinery company for sustainability by Global 100

ATLAS Copco, a leading provider of sustainable productivity solutions, was again recognised as the world's most sustainable machinery company by the prestigious annual Global 100 list. The list, presented

at the World Economic Forum in Da-Switzerland, ranks companies that prove they are increasing productivity while using less resources. Atlas Copco is ranked 34th overall, and is the only company in the machinery industry included on the list. It is the 10th time that Atlas Copco appears on the list.

"Providing customers with the most innovative, energy efficient, safe and ergonomic products is a key part of our business model," said Chakraborti, Mala Atlas Copco's Vice President Corporate Responsibility. "Integrating sustainability in our operations generates great value for both industry and society.

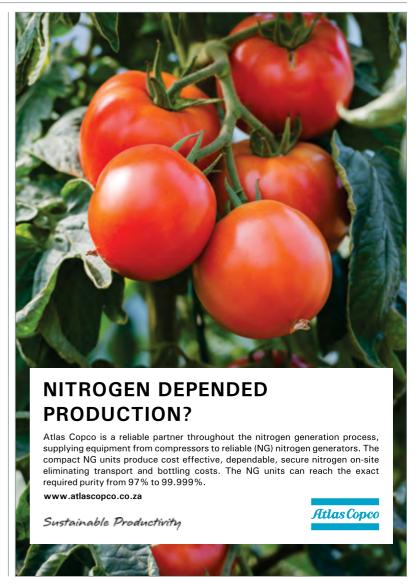
Atlas Copco's innovative, energy-saving products include its variable-speed com-



pressors, a technology that the Group pioneered in 1994 that enables compressors to run only at the speed necessary, cutting energy consumption. In 2013, Atlas Copco launched the patented VSD+ technology, which slashes energy use by more than half compared with traditional compressors. This groundbreaking compressor has received an overwhelmingly positive customer response.

Atlas Copco is also listed in the Dow Jones Sustainability Europe Index for 2015/2016, and is ranked number 11 globally in the Newsweek Green Rankings, one of the world's foremost rankings on corporate sustainability.





# DDL sets course for growth



August Winter, managing director DDL Equipment.

DDL Equipment, well known manufacturer and supplier of docking systems to South Africa's materials handling market, has new owners. In an agreement announced in July last year, private equity investment company Helikaon Investments took 100% ownership of the company and installed a new management team to increase local sales and expand into countries abroad.

Helikaon ments, a majority black-

owned private equity investment company with wide experience of manufacturing and logistics, has placed its own people at DDL's helm to oversee dayto-day operations and capital allocation.

DDL says it is widely recognised as having driven the development of professional docking in South Africa. In addition to locally manufactured dock-levelling and cold-chain dock sealing systems, it is the sole authorised distributor for two leading European door brands, Nergeco and Alpha.

Dominant for many years in the southern African market, the company has in recent years suffered from erosion of market share and a perception of declining flexibility. New managing director August Winter says that the initial focus of his management team is on stabilising relationships with existing customers.

"We have commissioned a new ERP system to provide a better overview of transactions and stock, and enable us to better communicate stock availability to the customer base," Winter states.

"With that in place, we are now reorganising and expanding the department, increasing staff levels and re-equipping with new tools, new vehicles and a stockholding of critical parts for quicker turnaround times. This represents a significant expansion and improvement of the old facility," he adds.

"The next step will be to grow market share and expand exports into new markets throughout Africa and beyond. We already have steady sales into Mauritius, and we have just completed a large project for a mine in Botswana," says Winter.

"A new sales director has been recruited and appointed to help achieve this."

Winter continues that, within South Africa itself, DDL has a proven name and product range of very high quality. He said that this range would be expanded and supported with the improved service division, positioning the company to reclaim its position as market leader.

'The local economy is undergoing a change of focus from manufacturing to importing, thereby creating a whole new market in warehousing and distribution. It is our intention to dominate this market," he says.

He pointed to other trends in South Africa that offer opportunities for industrial docking systems. Increasing electricity costs were forcing cold storage users to re-examine the efficiency of their environmental control, and users involved in maintaining the cold chain would seek the best possible sealing solutions, he says.

"Our big advantage is that we manufacture our sealing solutions locally, enabling quicker installation and a very much quicker service

turnaround times than rival companies that import components from Europe and elsewhere," says Winter.

"But we are not only focusing on cold chain applications, because a big section of the market has a requirement purely for docking solutions that can deliver the fastest possible loading and unloading times.

"Therefore, we are going to expand the range of dock levellers to give the customer more options in terms of the specific designs that he can buy from us."

"We have new offices, a new workshop and a new showroom, all situated in a new location central to one of Gauteng's fastest growing warehousing hubs, and close to the airport and customers therefore countrywide."

"I believe that DDL will enjoy an exciting future, beginning now and continuing into the longer term," Winter concludes.

# Konecranes – 106 years on



Stromberg stables 1910.

KONECRANES, today one of the top crane and hoist companies in the world, started off from humble beginnings in an old stable in the suburbs of Helsinki, Finland, in 1910. The history of the company is a rich and varied one, with the company growing into a major player in the world's crane industry. The Group now has over 12,000 employees, at 634 locations in 54 countries, including ten branches in South Africa.

With the advent of the First World War, Kone (as the company was known then) supplied electric motors and machinery to the Russian war effort. In 1930 the company began developing electric hoists. Needing more space, the crane assembly operation moved to Hyvinkää in 1943, where Konecranes Head Quarters stands today.

In 1950 Kone began producing harbor cranes, and, realizing the need for maintaining their products for their customers, the then novel idea of after sales service was born, which to this day remains a core part of Konecranes' offerings.

During the late 1970s and early 1980s, Konecranes moved into the bulk materials handling business in a big way, delivering turnkey projects to numerous customers abroad. In the early 1990's it became a publicly listed company on the Helsinki Stock Exchange.

In 2009 Konecranes entered into the South African market by acquiring Dynamic Crane Systems in Johannesburg. Two years later the second branch was opened in Durban with branches in Cape Town, Port Elizabeth, Witbank, Klerksdorp, Richards Bay, Maputo, Ngodwana and Rustenburg following, bringing the total to ten in South Africa today, with others in the pipeline.

Locally Konecranes serves the Automotive, Mining, Steel, Manufac-Petrochemical. turing, Power, Pulp & Paper, Shipyard and Waste to Industry markets.

Says John MacDonald, Service, Marketing and Sales Director who joined Konecranes Southern Africa in 2012, "It has been a privilege and at the same time a challenge to have contributed towards the tremendous growth of Konecranes in South Africa. The wealth of experience and technical know-how and back-up within the company as well as the opportunities afforded to the staff, with highly specialised courses around the world, has built us into one of the strongest forces to be reckoned with in the lifting industry today.

'We have a great team and a great spirit, as well as top of the range products and we strive to offer the best service for all makes of cranes and hoists. Despite economically difficult times ahead we believe the company will remain strong - and able to deliver." Mac-Donald concludes.

# **AES** firms win level 4 BEE certification

**Continued from P19** 

dividual and carefully considered strategies to each and every key supplier," said Murray. "This means that we will ourselves be under scrutiny by our own key customers, and it is therefore our intention to comply to our utmost ability. It is inevitable that the BEE portion of any tender will carry considerably more weight under the new codes.'

As an example of the changes, Murray explained that the new codes award only five points for spending as

much as 80% of procurement spend with suppliers in possession of a BEE certificate, whereas the old codes awarded between twelve and fifteen points for a lower 70% procurement spend with BEE certificated suppliers.

"This is unless new suppliers are identified," Murray continued, "because more points can be won broadening the base and procuring a greater proportion of one's spend from black owned qualifying small enterprises, or from exempt microenterprises."

"So one cannot simply carry on with a business-as-usual approach. Among other initiatives, a revised procurement gy will be needed if a company is to avoid dropping up to three levels on the scale by doing nothing,' said Murray.

acknowl-Murray edged that enterprise and supplier development will represent a challenge for AES, because the required ramping-up of local production capability will be difficult to achieve for any company that imports a finished, custom engineered product.

"But it's not impossible. The apprenticeship programme will rectify the skills shortage over time, and we are already well in process with identifying components that lend themselves to local manufacture and assembly.

"Further, we will continue with our sponsorships and donations programme, which stretches from Hospice to a significant commitment to the Edward Daniels Charitable Trust, and includes the supply of mathematics textbooks into primary schools," Murray added.

"The new codes demand a clear strategy if you are going to remain sufficiently competitive to remain a key supplier to customers who are themselves under pressure to maintain their own BEE ratings," Murray concluded.



### **Torre Industries donates** astroturf to Kliptown school



From left - Quentin van Breda, technical director of Torre Lifting Solutions, Karl Jensen, announcer and retired SAA pilot, Evan Zian, principal Kliptown Primary School and Oren Fuchs, director of MIC.

IN an initiative that combined both corporate social investment and environmental awareness through recycling, Torre Industries has benefitted Kliptown Secondary School in Lenasia with the donation of AstroTurf to the value of R146,000.

Quentin van Breda, technical director at Torre Lifting Solutions (formerly SA French) explains that the AstroTurf was ordered as the flooring for the Torre Industries stand at the recently held BAUMA CONEXPO exhibition in Johannesburg.

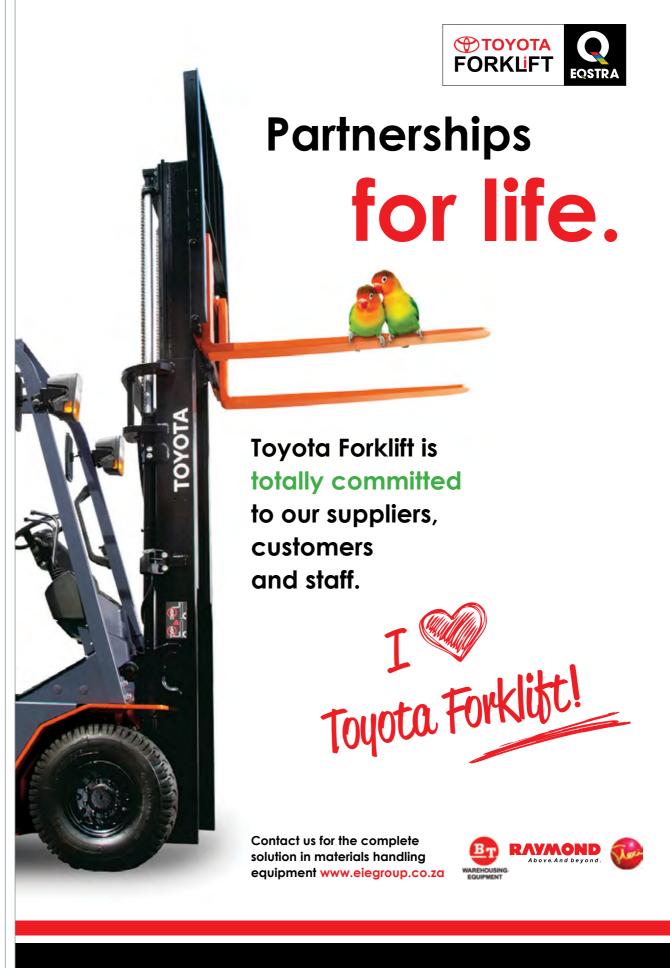
"The AstroTurf provided an attractive and durable surface on which to display our offerings and interact with the visitors. However, once the exhibition was finished we needed to do something worthwhile with the AstroTurf since storing it until next year was not a feasible solution."

Breda proached the Torre Industries BBBEE partner - the Mineworkers Investment Company (MIC) - to find a suitable beneficiary for the AstroTurf. Kliptown School, Secondary which has 1,420 learnwas identified and is currently using the AstroTurf as temporary seating for learners who are unable to find seating in the classrooms.

Evan Zain, principal of the school, explains that Kliptown Secondary School is one 28 schools in the area catering to the education of the youth surrounding informal settlements.

"There are only seven sports facilities in the area so it is almost impossible to find a gap in the hectic stadia timetables for our learners to play football. The donation of the Astro-Turf is allowing us to plan for a five-a-side pitch in 2016."

He says that the school is currently in the process of securing a suitable area and once this is finalised, the AstroTurf will be permanently laid in place for the students to enjoy football matches. "In the interim we are thrilled that our learners are able to use the artificial grass surface whilst we make further plans to accommodate them in the currently overcrowded classrooms. At the end of each school day we simply roll up the AstroTurf and store it in a classroom. It is making a big difference in our lives and we are excited about its next role as a football pitch.'





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# African maritime builder's ship comes in

**Continued from P8** 

Our aim is to facilitate the design of vessels that, according to additional specified functions, would traditionally be much larger. We are being asked to integrate design additions that allow for pollution control, digital positioning, crew and cargo transfers and deployable daughter crafts. These functions are integrated into a much smaller vessel that translates into a better long-term asset for the owner at a more reasonable cost.

In addition, the nature of operations in Africa has many prospective buyers seeking optimal safety and security add-ons. It is not uncommon for design criteria to include ballistic protected citadels and security equipment with basic mission systems or even clinics.

The challenge for a design team is to maximise the volumetric square meterage available when translating these needs into an optimal platform. While it is tempting to use stan-

dardised hull platforms, one has to consider the actual functionally usable space. Fortunately engineering software packages such as Ship Constructor and Catia makes it easier to deliver a customised solution.

But the design and delivery of a vessel should not be seen in isolation in the African market where maintenance and support has traditionally been inaccessible. While our design aims to be as user-friendly as possible, we have seen the need to offer back-up support.

As such we are currently trialing our Sea Plan on four of our new builds. This involves remote monitoring, a monthly third-party service review as well as a report to the vessel owner's representative. If successful, we will consider packaging this into all new vessels.

Routine maintenance training is provided at vessel hand over and in keeping with our long-term belief of keeping the vessel running as near to 100% as possible.

This makes good economic sense for the vessel owner who will be looking to at least 10 years of operation to see a financial return. I do not see any reason, however, why with good service and maintenance the vessels cannot remain in service for up to 30 years.

The pressure on replacement will likely be driven from more efficient solutions with more advanced more efficient propulsion with less reliance on large crews.

### **Railway certification** on track



For any manufacturer wanting to be make the most of the imminent and massive railway projects, EN 15085 certification is essential.

THE recent EN 15085 certification of Transnet Engineering Durban (CL 1 – Critical Components) and VR Laser Services (CL 2 – Non-Critical Components) has set the process of EN 15085 certification firmly on track in South Africa.

EN 15085 is the quality standard that relates specifically to the welding of railway vehicles and components and has the requirements of ISO 3834 as a basis. ISO 3834 mostly has general requirements specified in the standard, whereas EN 15085 builds on ISO 3834 and specifies specific requirements relating to, inter alia, railway vehicle and component welding. SAIW Certification

will manage the certification process in South Africa in a JV with Germany's GSI SLV, one of the world's experts and an ANB for EN 15085 certification.

"As there is no certification body in South Africa we will work with GSI SLV to certify companies who want to take advantage of the major railway projects coming on stream in South Africa," says Herman Potgieter, SAIW Certification GM.

He adds that with this JV in place South Africa has all the necessary building blocks to meet the requirements of EN 15085.

"We have the appropriate training and certification programmes in place and the fact that two leading companies Transnet Engineering Durban and VR Laser Services - have already gone through the process must encourage other relevant companies who need this certification."

Potgieter says that the difficulty is that for many of the South African companies that have traditionally manufactured components for railway applications, there may be a big jump from their current quality level to that required by the EN 15085.

"But I cannot stress enough that If South African manufacturers can't meet the required standard, it is doubtful that the international original equipment manufacturers will put their name on inferior quality product and will then source these components from suitable overseas suppliers. To make the most of the imminent and massive railway projects, EN 15085 certification is essential," he says.

Potgieter says that in GSI SLV, SAIW Certification could not have found better partners. Germany is one of the leading welding nations and GSV SLV is one of Germany's best.

"It is interesting that Germany has more companies certified to EN 15085 than to ISO 3834 and that China, who will be central in the railway initiative in South Africa, has also taken the reigns and is following Germany with many Chinese companies being certified," Potgieter says.

He adds that this is as a result of safety authorities in certain countries European making certification a mandatory requirement and Chinese companies making their best efforts

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**Continued on P25** 

### Air Products South Africa sets the standard in sustainable health and safety management

AIR Products South Africa has, over a number of years, developed a formal occupational health and safety program that has proven highly effective, and has gained industrywide recognition.

This program involves not only strict adherence to legislation, but a companywide culture of proactive safety awareness. The result has been a demonstrably low disabling injury frequency rate (DIFR) at several of the company's production sites and what the company refers to as "a consistently exceptional performance" in the management of occupational health and safety.

"At Air Products South Africa, occupational health and safety means ensuring that we provide a workplace for our employees that will not cause them harm through injury or illness. We have worked hard to achieve this objective: both through systems compliance, and a deeplyentrenched culture of safety throughout the organisation," Sue Janse van Vuuren, Corporate Risk Manager at Air Products South Africa.

Due to the nature of its processes and products, the gas industry may be a potentially hazardous working environment. As a result, the company's riskbased health and safety management system is highly comprehensive, and takes into consideration both local and global elements.

"In South Africa our health and safety management system is designed to ensure compliance to the global Air Products systems, as well as local legislation. In addition, we use the NOSA Integrated 5 Star System (Health, Safety Environmental and Management) as our benchmark," explains Janse van Vuuren.

Hard work pays off every year for the company as it receives industry recognition and repeat accolades at the annual NOSHCON conference and awards. A highlight on the calendar for Air Products, last year's NOSHCON was no exception, with six of the company's sites winning the highest honour - a 'Noscar.'

"A Noscar award is the highest accolade given by NOSA to companies that are certified on the NOSA 5 star system," says Janse van Vuuren. "The criteria include exceptional



Sue Janse van Vuuren, Corporate Risk Manager at Air Products South Africa.

performance in managing occupational health and safety for three consecutive years. Air Products won our first Noscar in 2003, and since then we are proud to have been awarded approximately 47 Noscars on our various sites around the country."

This year, the Air Products site winners of Noscar awards were Cape Town, Port Witbank, Elizabeth, Empangeni Springs, and Newcastle. Air Products Empangeni was also the National Sector Winner.

"The NOSA system is regarded as a valubenchmarking tool within the industry," notes Janse van Vuuren. "The Noscars enable us to measure how well we are doing in providing a safe work-

place - in comparison with other companies - and also provides our customers with the assurance that we are effectively managing any potential risks."

An effective occupational health and safety programme that complies with changing safety and environmental legislation requires constant updating and reviewing, however, which is why Air Products does not rest on its laurels.

"At Air Products we continually strive to improve our health, safety and security performance in order to achieve our ultimate goal of zero injuries. We do this by ensuring our risk assessments are reviewed and updated regularly, and effective control measures are put in place. Thorough investigations and root cause analysis on incidents and near misses are also conducted, and corrective actions implemented to prevent reoccurrence of similar incidents," says Janse van Vuuren.

Air Products focuses on continually reinforcing policies and procedures throughout the organization, by training and proactively involving each and every member of staff. For Janse van Vuuren, this is critical to a truly sound health, safety and en-

"The commitment and dedication of our management and staff is pivotal to developing a sustainable safety culture at Air Product, and maintaining our track record for safety excellence," she concludes.

vironmental program.

to access the European market and also wanting to break the perception of inferior quality product from China and prove that Chinese companies can produce good quality products.

EN 15085 is not only a standard for European based manufacturers, it is spreading worldwide

with companies in the USA, Canada, India, Korea and Japan opting for certification. It is only a matter of time before this standard will be converted to an international standard similar to EN 729 evolving into ISO 3834 some years ago.

Railway certification on track

Continued from P24

"Of course with the future initiatives relating to railway production in South Africa, EN 15085 will become as important in this country - and hopefully in all of Africa - as it is in Europe and the East.

In the meantime, I urge all of you who could benefit from certification, not to delay," concludes Potgieter.



#### **Changing the Face of Welding Education in the Cape**

The Southern African Institute of Welding (SAIW) Cape Town branch is helping to empower the youth of the Western Cape through its comprehensive training programmes.

And not just the youth! Those with experience in the welding industry are furthering their education through SAIW training courses and increasing their career opportunities.

#### **Courses currently offered by SAIW Western Cape include:**

Basics of Welding Quality Control; Welding Inspector (Level 1); Senior Welding Inspector (Level 2); Appreciation of Welding; ASME Codes of Construction; AWS D1.1 - Steel Structures; Competent Persons: Foundation Week - Pressure Vessels & Steam Generators; Process Plant Inspection; Paint Inspectors; Welding Symbols; Weld Quality Management & Welding Coordination: ISO 3834 & ISO 14731; Visual Testing: Level 1 & Level 2; Appreciation of NDT

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# Buying new is not always the only option



Dewald Walters, managing director of project management and fabrication company, WPPS, recently bought two Kipor 2.5 diesel forklifts that had done about 4,000 and 8,000 hours respectively and were refurbished by the SPE team.

Nel's Distributors (Kirkwood)

times, when cash can be a rare commodity, buying new forklifts is certainly not always the only option. Smith Power Equipment (SPE) has, time again, shown that second-hand, buying refurbished forklifts from them is certainly a viable alternative.

A good example of a satisfied customer who did just this is Dewald Walters, managing director of well-known project management

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and fabrication company, WPPS, who recently bought two Kipor 2.5 diesel forklifts that had done about 4,000 and 8,000 hours respectively and were refurbished by the SPE team.

"From the word go SPE delivered an exceptional service making the transaction not only a lucrative one for me but also a pleasure," he says.

He added that with a race against time to meet deadlines the Kipor team not only refurbished the forklifts in just a week, but provided him with a free rental forklift whilst they were doing so, which enabled his company to carry on with our existing jobs.

SPE really went the extra mile and have done so after the sale as well, which, in my

mind, is the true test," Walters continues.

The Kipor 2.5 ton diesel forklift is one of the flagship machines in the Kipor range. With its advanced streamline design, solid, sturdy frame and its suspended and moveable seat, which provides comfort for the operator, it has become one of the most popular forklifts around.

"The fact that both forklifts have worked almost non-stop for about 1,000 hours each since I acquired them is testament to the excellent job of refurbishment that SPE did, as well as to the overall quality of the Kipor product," said Walters.

WPPS, established in 2013 consists of two divisions - a project management and control division and a fabrication, supply and erection division, which meets the highest international standards in fabrication and execution capabilities and prides itself on its exceptional people, environmental high standards and superior welding capabilities.

Kipor is a well-established global leader with its products being sold in more than 130 countries worldwide. Founded in 1998 the Kipor group of companies has enjoyed significant product acceptance and market development, then both globally and in South Africa where SPE are the sole importers and distributors through a wide footprint of specialised dealers and a full after-sales service backup infrastructure countrywide.

**Integrated** security systems improve **business** efficiencies

**Continued from P21** 

software also enables actions to be triggered from each specific transaction. "For example, on selected events one may want to switch a camera to a selected monitor in the control room, or send an SMS to a security manager, or play an audio clip to a speaker in the field or ends an alarm to an off-site control room. There are many options available, says Brecher.

Held between 24 and 26 May 2016 at Gallagher Convention Centre in Midrand, Johannesburg, Securex 2016 will provide visitors with the unrivalled opportunity to interact with leading local and international manufacturers and suppliers of the best brands in security and fire technology and services.

"We have seen an increase in the need for integration of security sub-systems. Exhibitors at Securex have risen to the challenge and are developing technology that is geared towards total system integration," says Joshua Low, Securex Event Director at Specialised Exhibitions.

The ever-popular educational sessions in the free-to-attend Securex Seminar Theatre cover industry trends and legislation including talks on best practice regarding integration of security systems. Other visitor attractions include a New Products Display and the Business Matchmaking Service sponsored by Ideco, which allows visitors to be pre-matched with relevant exhibitors. This initiative allows meetings to be arranged in advance of the exhibition, thereby maximising the visitor's time at Securex 2016.

Securex is aligned with a number of industry bodies that include ESDA, FFETA, FPASA, PSiRA, SAIS, SAIDSA, SASA and SIA.

Securex will again be co-located with A-OSH EXPO, Africa's leading source for occupational health and safety (OHS) products and services. The exhibition, now in its sixth year, covers all aspects of OHS risk analysis and alleviation.

# BMG is appointed as an official logistics distributor for Festo South Africa

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Currently, products are available from 12 BMG outlets in South Africa's major centres and this distribution reach will grow as the business develops throughout BMG.

> Currently, Festo products are available from 12 BMG outlets in South Africa's major centres and this distribution reach will grow as the business develops throughout BMG.

Festo automation systems enhance BMG's extensive product range, which now encompasses bearings, seals, power transmission components, electric and geared motors, as well as belting and fasteners.

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## Better batteries key to clean power

Continued from back page

lithium-ion versions. But there is a snag. The aluminium plates have to be replaced to recharge, which might make it difficult, assuming more than one is needed. It could be used in theory for emergency power for vehicles. And might even solve the range problem of electric cars, and last longer.

Perhaps optimistically, it might extend the range to 1,000 miles; at which point electric cars would be serious rivals to petrol and diesel ones.

It certainly looks promising, but a major flaw is that aluminium production soaks up huge amounts of electricity, so the (ahem) carbon footprint of the battery honestly calculated may rule them out - unless nuclear, hydro or solar power generation is used, nuclear being the front runner to produce enough.

Aluminium-air batteries might produce better electric cars than the Tesla, but they are challenged when it comes to storing larger amounts of power.

batteries Airflow

on the other hand can store a lot of power. They just might make wind farms and solar plants that do not work all the time, often at inconvenient times, more efficient. These batteries store power in tanks that when full can deliver power all day. It is a chemical process using cheap materials (water, chromium, and iron.) The drawback is that the process releases hydrogen. That means they get steadily less efficient. Solve that problem and airlow batteries could

be winners. Harvard University researchers claim they have a cheaper and more efficient version, but it is years from production.

The media are enthralled by ex-South African Elon Musk's plans to get over the battery problem by building a massive battery factory in Nevada. He plans to be up and running next year, and producing 500,000 every year from 2017.

Musk is betting on being able to corner the battery market, but he is taking an enormous risk, arousing doubts in some financial and investor circles that he can recoup his investment before better batteries are available. Musk is no fool and he too is researching airflow types.

Where does that leave Musk and his giant factory? Some say he may have started too soon. They point to the battle in the market between VHS television recorders (remember them?) when later digital versions, emerged victorious.

Battery technology has its own problems, but the competition among potential competitors for Musk is hotting up. If a better battery emerges within five years, he could be in trouble. His lithium-ion batteries might turn out to be white elephants like VHS recorders.

Meanwhile, Japanese and Israeli entrepreneurs are betting on their airflow battery types getting into production by 2017. Musk's Nevada factory will take longer

to recoup its costs of US\$5bn. But then computer chips, gels, and graphene could dramatically improve lithium-ion batteries.

With the big car companies now getting in on the electric car market and even bigger challenge to Musk's ambitions could occur since they are able to marshal huge amounts of capital and expertise.

Thanks to private enterprise, especially in the developed countries, we can look forward to a healthy battle for the battery market. Right now, though the batteries on the market simply do not cut the mustard, especially when it comes to storing power to inject into the existing electricity grids.

What seems unassailable is the contention that bulk load electricity provides by either coal, oil, or developing countries will choose nuclear power stations as they seek to reach the standard of living of the developed world.

The climate may be warming but measurements from space have not shown this happening for the last 18 years or so. It is more likely that the sun is responsible rather than humankind's puny activities.

As for carbon dioxide causing surface temperatures to rise, the scientific jury is out, despite claims that most climate scientists believe it is. As for computer models that are used to predict imminent doom and destruction, it depends what numbers are fed into them.

What we do know for sure is that plants love CO<sub>2</sub>. Indeed, without it we would all be worse off – rich and poor.

That is not to say that solar and wind power could not prove very useful away from the electricity grid, but right now that is where they will mostly stay until major advances in battery technology come to market and can survive with subsidies i.e. other people's tax money.

\*The US Environment Protection Agency has a staff of some

Modern-day

sewerage

**systems** 

require

expertise

and

reliability

Continued from P20

adaptability in varying applications. They are

designed for sludge and

water applications with

non-clogging impellers.

All pumps can be manufactured using a variety

of materials and have

different impellers to

suit the application. In

addition, the company

has vast range of related pumps and products that

have applications in varied applications and that

may be suitable for sewer

of the huge range that we

carry locally and abroad

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facilities globally. Suf-

fice to say we have the

right pump for almost

every application and as

a result, municipalities,

water authorities and

engineers can call upon

our expertise to assist

in the refurbishment of

old plants, maintenance

and replacement of ex-

isting pumps, as well as

the design of new pump-

ing systems that will

be capable of meeting

future demands.

To discuss the entire range is difficult because

applications as well.

#### IN THE NEXT ISSUE:

- Building and construction: general and civils projects/ equipment / material / technology /
- Consulting engineering: civil / structural engineering services
- Corrosion control and coatings: protective / specialized coatings and sealants
- Facilities management (and supporting services)
- Food, beverage, wine and dairy: manufacturing / packaging/ distribution
- HVACR heating, ventilation, air conditioning and refrigeration
- Industrial cleaning and maintenance
- Instrumentation, measuring and process control
- Modern office: equipment / IT solutions /mobile office / software
- Motoring
- Offshore mining and drilling
- Pipes, tubes and hoses: and related services
- Renewable energy: wind / solar / microgrids and alternative energy sources
- Risk cover and management: short-/medium-/ long-term insurance solutions
- Transport industry: Light, medium and heavy commercial vehicles / Fleet management / Cabs, truck bodies, tankers and trailers / Automotive parts and equipment / Specialised transport / Vehicle tracking / Finance solutions
- Wire rope, sling, chain and hoist
- Special feature: Harvest 2016

Cape Business News is always on the lookout for stories of companies that are shaping the Cape business landscape. If your company has a story to share, in these, or any other business sector, send your story to editor@cbn.co.za for consideration.

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# Jolly poor show, Stellenbosch OPI

am all in favour of it," declared Big Ben bilingually, "English should be the only teaching language at Stellenbosch."

Okay, so today the conversation in the local pub and grill is going to be of the intellectual kind. Just when I wanted to peacefully mind my own business while thinking of nothing in particular.

"Stellenbosch?" enquired Luke the Dude, "you mean Kakiebosch!"

"Funny, but not original," lectured The Prof. "Useless!" agreed Jon the Joker.

"Harrumph!" exhorted Luke the Dude, grabbing the opportunity to display his more educated side, "I don't mind quoting that great poet, artist and human being, Breyten Breytenbach!"

"That one!" prioritised Jean-J, being a poet himself as well as the last remaining Huguenot, "that one is French!"

"Really now," said Colin the Golfer, who was always considered ignorant of anything Afrikaans, being from Yorkshire, "why doesn't he write in French then?"

"Aaahhh," triumphed Jean-J, "but he makes love in French ..."

Well, well, just when Big Ben finally makes a statement to grab the attention, everybody speaks of something else. Not quite.

"Why," enquired The Governor in his regrettable sobriety, "do you think the first and proudest Afrikaans university should capitulate to English?"

"Well," replied Big Ben importantly, "English is an academic language."

"You don't say," retorted The Prof with just the slightest, most uncharacteristic hint of contempt, "so is Afrikaans."

"That doesn't matter," argued Big Ben unconvincingly while seeking the unused crevices of his mind for a more convincing reason and finding it just after Jon the Joker declared his efforts to be "useless!"

"No, no," protested Big Ben, "Stellenbosch wants to be a world-class university, does it not? They say so themselves! And how can they be if they remain Afrikaans? English is a world language, they have to become English to be world-class."

"Mon Ami," said Jean-J in a menacingly soft voice, "are you saying a university has to be English to be world-class? There are no world-class French universities?"

"Or German universities," added Luke the Dude objectively, "Dutch universities? Italian universities? Japanese? Russian? Only English academics have brains?"

"No, no, no," defended Big Ben while looking desperately around the local pub and grill for a supportive face and finding none. But he wasn't done. From another dark nook in his oversized cranium he dug out the race card.

"What about all those highly intelligent black students who go to Stellenbosch with the legitimate and democratic desire of a decent education?" charged Big Ben politically correctly, "how are they supposed to succeed when the lectures are in Afrikaans?"

"A decent education, Boy?" twinkled Colin the Golfer, "but not world-class, eh?"

"Oui, we saw the hardship caused by Afrikaans in that propaganda video called 'Luister'," remembered Jean-J, "you know, that one, that quoted all those suffering black students; it was heart-breaking – until we found out they were not students after all."

"Useless!" affirmed Jon the Joker albeit not actively, "what kind of highly intelligent person goes to an Afrikaans university knowing full well he or she cannot understand a word of Afrikaans? And it is not as if the poor dears have no other choice; if you look, you will find no fewer than three English-language universities within an hour's drive of Stellenbosch."

"Indeed," opined Luke the Dude in an imitation of The Prof, "and one of them being none less than the truly world-class University of Cape Town ... well, ahem, hopefully currently still world-class although I admit one would not know for how long, looking at the cowering people in charge of the place."

"Cowering indeed, my good man, The Prof acknowledged the imitation, "academics are easily intimidated and none more so than those who have gone into university management. That being said, Cape Town's university management is still holding up nicely, thank you, compared to the collapse at Stellenbosch."

"The context to this spectacle," he added, "is that Stellenbosch has had bilingual classes for many years. Nothing is said in Afrikaans that is not also said in English. No English-speaking student is in any way excluded. No student has to write any test, or paper, or exam in Afrikaans. They may do everything in English, graduate and post-graduate. But no, now English has to be the only language."

He paused and opened his hands. "Do you see the difference? This is not about including English-language students, this is about excluding Afrikaans students."

"Harrumph!" repeated Luke the Dude, "and this after the University of Stellenbosch was built by Afrikaners with Afrikaner money to end the exclusion of Afrikaans students!"

"I don't agree," interrupted Big Ben desperately, having recovered his guts, "they will still be able to get their lectures in Afrikaans if they want to. They only have to ask."

"Useless!" declared Jon the Joker, "you see how sneaky the cowed management has become, for how long do you think that will last? Ho hum, bad luck all you 'coloured' and white Afrikaans-speaking losers. This is what you get for voting the DA into government in the Western Cape. From now on, no more Afrikaans. Slim Wim, as they say in Afrikaans, or Dim Wim, as they say in English, has spoken."

"Quite right," said The Prof, "that De Villiers fellow; I have always had my doubts about him, even when we were undergraduates. And now my favourite columnist – second only, of course, to that word wizard who writes the column for Cape Business News – has exposed him."

"What do you mean exposed," Big Ben countered suspiciously, "do you mean outed or what?"

"Outed, exposed, take your pick," magnanimated The Prof, "the emperor has no clothes;

he is naked."

"Hoo boy," worried Luke the Dude, "now you are going to get it from those law professors at Stellenbosch. They have already done the deed, no Afrikaans allowed on this park bench."

"Yes indeed," retorted The Prof in remembrance of his old friend Chris Kommunis, "I am looking forward to it."

"But who is this favourite columnist," queried Jean-J inquisitively, "I also want to read him."

"Not him, her," corrected The Prof. "Sonja Loots who writes the occasional column in Rapport newspaper and is also an award-winning author and member of Stellenbosch university's convocation. She outed Wim de Villiers, rector of that once esteemed institution, as a person who does one thing, hides it and says another. A person so intimidated by Blade Nzimande, the threatening ANC minister and Stalinist, that he capitulates like a snowman in the sun."

"And all the other fiercely independent thinkers?" wondered Luke the Dude. "What do they have to say?"

The Prof shook his head: "little to nothing, sad to say."

"You know, that reminds me," announced Luke the Dude in a lucidum intervallum, "the fossils of another hominid species were recently discovered at Stellenbosch. It has a lot in common with modern humans, except that it has no spine. Paleontologists have named it Homo Capitulatus."

# **OPINION**



"What does that have to do with anything," asked Big Ben in an obiter dictum. He was ignored

"That one," said Jean-J instead, "Homo Capitulatus. It gets fierce only when it sees purple people. You saw those two students who went to a space-themed party as purple aliens with blinkers. A ha! said the political police of Stellenbosch, purple face is mos black face in disguise! They are racists! So the poor girls were thoroughly humiliated, bullied and persecuted by the Purple People Eaters."

"You know," said The Prof thoughtfully, "I believe I understand the conspiracy behind the transformation of Stellenbosch into an English university. It is a dark plot, no doubt, to embarrass English-speaking people everywhere ..."

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# Better batteries key to clean power

battery-fire recently reduced to ashes a Tesla electric sports car while its Californian owner was charging it, raising once again the fatal flaw in all electric cars that use lithium-ion batteries.

Available batteries are the hurdle all non-carbon methods of generating power still need to climb before they can to live up to their much hyped promise.

Fashionable photovoltaic arrays and wind generator farms that have spread across Europe in an excess of green enthusiasm produce very little usable electric power compared to the demands of industry.

The rest of the world has meanwhile been less enthusiastic with more than 2,000 coal-fired power stations now under construction in various developing countries, notably China and India.

Nevertheless, right or wrong, the demand for electric power that does not emit perfectly harmless carbon dioxide, is proving the usual carrot to the free market and profit seekers.

In other words, the battery problem is acknowledged, notwithstanding the wave of propaganda that supports clean energy at

THE OTHER SIDE OF

THE COIN



Keith Bryers

any cost – usually taxpayers' money in the form of subsidies. And the private sector is stepping up to the plate.

As usual too, bureaucrats see another chance to spend other people's (i.e. taxpayers) money and ask for more so that they can sink millions into battery research, enlarge their empires, and so increase their pay. Their delusion is that they can identify good prospects better than entrepreneurs can. On the other hand, maybe it is only to ensure their own importance.\*

There are many new battery types at the research stage. Some are even being tested before commercial production. It is of course one thing to make something in a laboratory, quite another to produce the thing in a factory and make a profit.

One of these is an aluminium-air battery. It is cheap and stores more power than

Continued on P27



