

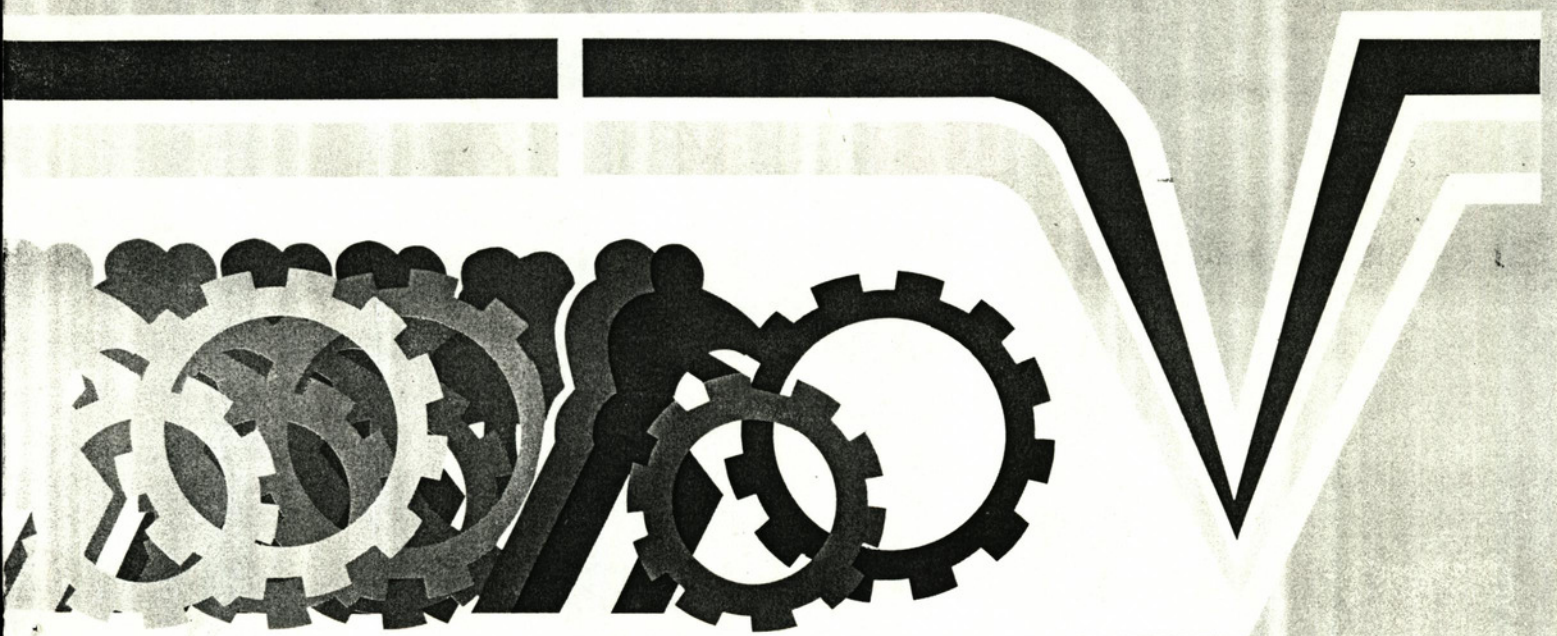
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VENDA DEVELOPMENT CORPORATION LIMITED
1990 ANNUAL REPORT

18.10



Ri shumela la matshelo
We work for the future

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DIRECTORS

The Board of Directors of the Venda Development Corporation Limited is appointed in terms of section 7 of Act No. 17 of 1981. The following persons were on the Board of Directors of the Corporation at 31 March 1990 :

J.A Botes (Chairman)
A. du Rand
J.D. Little
M.R. Madula
R.P. Mavhunga
S.T. Muhanelwa
H.M. Mulangaphuma
S.M. Mulaudzi
Z. Mutsila
J. Nieuwoudt
A.L. Rambuda
W.M.R. Sigwavhulimu
J.C.D. Theron

CHIEF EXECUTIVE OFFICER

F.I.T. Ndiitwani (appointed 1 July 1989)

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BANKERS

Standard Bank
Thohoyandou

HEAD OFFICE

Thohoyandou Business Centre
P.O. Box 9
SIBASA
REPUBLIC OF VENDA

Tel : (015581) 21131
Telefax : (015581) 2-1298

OBJECTIVES OF THE VDC

The VDC's objectives are to plan, finance, co-ordinate, promote and carry out the development of Venda and its people in the fields of Industry, Commerce, Mining, Tourism and any other type or form of business whatsoever.

CHAIRMAN'S REPORT

Although development during the year under review remained difficult owing to the generally depressed state of the economy in Southern Africa, the Venda Development Corporation has endeavoured to advance its objectives by consolidating and laying further foundations for future development.

Nine further factories, totalling 5500 square metres, were completed for use by investors in major industry and handed over to the Corporation during May. Most of these factories are already in use.

It was during this financial year that agreements for the alteration and extension of the O.K. Bazaars complex were finalized. Of importance to note is the manner in which the private sector has involved itself with commercial establishment in Venda. To a significant extent this relieved the Corporation of the burden of establishing more commercial ventures - instead, the funds saved because of this, were channelled to the most pressing development projects.

The changes in the political arena, also had some effect on the general day to day running of the Corporation's activities. The year under review, also evidenced the stepping down of Mr J.S. Kruger who was the Chief Executive Officer since 1982. This paved the way for the appointment of Mr F.I.T. Ndiitwani who succeeded Mr Kruger as the new Chief Executive Officer.

In line with VDC's objectives, small business development projects are carried out in rural areas in the form of Small Industrial and Commercial complexes as can be seen in the reports that follow. Further to note here is the completion of a fourteen-unit textile centre in the Thohoyandou Industrial Area. The creation of job opportunities remains an important part of the Corporation's main objectives.

The Corporation was able to withstand the pressures of economic recession which did not only affect Venda but the whole of Southern Africa. In an attempt to elevate the standard of living and home ownership, housing loans were made available to all citizens of Venda. Small commercialists also received sufficient loans for the establishment of their own undertakings.

It is also gratifying to note that most citizens are finding worthwhile careers in the service of their own country. Venda enjoys a stable, reliable and qualitative work force. People in the workplace are ready and eager to undergo any form of training. It is this ambition that allows the VDC to maintain its position with determination in times of depression. The people of Venda through their involvement and participation, have contributed a great deal to the success of this Corporation.

During this financial year, it has been increasingly difficult to obtain development funds from financial institutions in Southern Africa. Our main source of finance remained the Development Bank of Southern Africa. This state of affairs prompted VDC, to consider privatising some of its functions to enable it to undertake other major and more pressing projects.

Tourism development has proved to be a success in that more visits by locals as well as visitors from South Africa and abroad were experienced. The exhibition at the Rand Easter Show, put us in the international arena as most of the Overseas visitors were attracted by Venda Art on display. The decent standards of our resorts, spa and parks, have been maintained the year through.

The significant role played by the Corporation's Human Resources Department in own staff training cannot be lost sight of. As already mentioned human development is one aspect the Corporation cannot do without.

It is appropriate at this point in time to acknowledge the inputs and contributions made by the Venda Government, direct or indirect, the VIDB, Consultants, all industrialists and entrepreneurs, Share holders, fellow Corporations, Venda Citizens at large, VDC Management and staff and lastly though with specific emphasis, the Department of Commerce, Industry and Tourism. All these have, to a great extent, made it easier for the Corporation to carry out its mission in a satisfactory manner. The VDC endeavours to remain true to the fundamental principles of development and will steadfastly face all the challenges that may arise.

INDUSTRIAL DEVELOPMENT

MAJOR INDUSTRIES

During the year under review an additional nine factory units were completed, comprising of 3x375m², 3x500m², 1x750m² 1x1 000m², and 1x1125m² factories. All but one of the new units have already been occupied. Additional factory units will in future be constructed as and when the need arises.

The Venda Industrial Development Board (V.I.D.B.) approved the establishment of a further seven new industries during this period, resulting in the creation of approximately 500 employment opportunities for Venda citizens and an investment of R1, 9 million by private entrepreneurs. These industries are involved in the production of clothing, food, fibreglass products and furniture.

The National Productivity Institute (N.P.I.) scheme whereby industrialists qualify for productivity improvement assistance is now in place and improvements in productivity are envisaged in the future.

The combined investment by the VDC and private entrepreneurs in major industries exceeded R66 million at the end of this financial year, with some 5000 employment opportunities having been created.

Since it is the Corporation's policy to provide financial loans in exceptional cases only, an amount of only R1, 25 million was advanced to industrialists during this year. The Corporation sees its role as that of being a facilitator, bringing together industrialists who need financial assistance on the one hand and reputable financial institutions on the other.

Changes in the Regional Industrial Development Programme are expected to be announced in the near future and will effect industrial development in this region in one way or another.

SMALL BUSINESS DEVELOPMENT

SMALL INDUSTRIAL COMPLEXES

Tshakhuma Small Industrial Complex which is expected to be completed at an estimated cost of R200 000 was already under construction at the end of this financial year. A site has been identified for the construction of a similar project at Thengwe which will be handed over to the contractors during the second month of the next financial year.

The complex at Tshakhuma consists of eleven units where small manufacturing and service operations will be accommodated. Thengwe will be similar and shall have the same facilities.

As a result of the abovementioned approximately 22 small industrialists have been identified and about 158 job opportunities will be created. Future development plans include the construction of two small industrial complexes at Phadzima and Madombidzha at an estimated value of R500 000.

SMALL COMMERCIAL COMPLEXES

Vuwani Shopping Complex

The site for construction of the Vuwani shopping centre was handed over to contractors on 19 January 1990. The complex is to provide shopping area of 10 000m² and will consist of 14 shops. It is expected to be completed at the end of October 1990 at an estimated value of R1,5m.

Tshitereke Shopping Complex

Construction of the Tshitereke Shopping Centre started in March 1990. This complex of 10 000m² is being erected at an estimated cost of R1 724 264-00. The complex will be completed during the next financial year.

Technical Training and Counselling

During the year under review, 217 people attended technical courses at different training centres. VDC has contributed R187 000-00 towards this training. It is envisaged that more Venda citizens will undergo training in various courses during the coming financial year. Approximately 500 small business owners were counselled or given supportive services in a wide variety of business undertakings.

Commercial Training and Counselling

One hundred and fifty seven business owners were trained locally by the Corporation. Courses like merchandising, pricing and supervision were presented to local businessmen regardless of whether that particular business owner has a loan with VDC or not. Informal training in this field relates to on-the-job training and assisting with relevant advice to VDC clients and non-loanees. An approximated figure of R11 000-00 was contributed to this venture by VDC.

TOURISM

The Tourism Department's major responsibility is to develop, manage and market the various tourist facilities in Venda.

During the period under review only one project viz. Dzata Museum was started but due to financial constraints it has not been completed yet. Arrangements are already at an advanced stage to have Ditike, Craft House of Venda, privatised. Some private enterprises have shown interest in acquiring it.

The Department manages the Mphephu and Nwanedi resorts and Acacia Park which provide visitors with camps, chalets, luxury rooms and touring facilities.

Business slowed down towards the end of 1989 and during the first three months of 1990 due to the political disturbances which were prevailing in the Southern African region. Despite these disturbances provision was made for Venda Tourism to participate in the Rand Easter, Indaba Durban and Project Tourism 2000 shows, the latter of which is a new venture to promote tourism among the various black communities in Southern Africa.

Many new projects e.g. the Tshimbupfe - Ngwekhulu Park and Gunda camp, were identified but due to financial constraints development was suspended and will be considered in the near future.

Venda has tremendous Tourism potential but development in this respect is being retarded by the poor or limited infrastructure and the lack of development capital.

The Department has introduced the Land of Legend Marathon which will become an annual event. The marathon, although still in its infancy drew 47 runners from within and outside the borders of Venda. The number of enquiries received indicate that over 300 athletes may take part in the 1990 Land of Legend Marathon.

SIBASA SAVINGS BANK

For the past three years this project has proved to be successful with a viable future.

The VDC Management is investigating the possibility of privatising the Savings Bank. Preference will be given to those Commercial Banks which have not yet established in Venda and if it can be of benefit to Venda the Savings Bank may be privatised in the near future.

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PROPERTY SERVICES

The Corporation has a comprehensive and varied property portfolio managed by the Property Division in the Management and Legal Services Department. This division was mainly responsible for the following properties and services during the year under review : Thohoyandou business Centre, Ok Bazaars Complex, Flea Market Stalls, Makhado Business Centre, Mphephu Shopping Centre, Shuma Park and Thohoyandou Industrial Township.

Thohoyandou Industrial Area Infrastructure

A loan application will be lodged with the DBSA in the 90/91 financial year for R2,5 million to implement Phase 111 of the Thohoyandou Industrial Township Services Project to upgrade the present services. This will upgrade the services of 9 stands and supply part services for an additional 25 stands. This will also fully service 16 new stands.

HOUSING

The Corporation has granted a total of 142 housing loans involving an amount of R3 598 800-00 in rural and urban areas.

Of the total of 142 approved housing loan applications :

- * 23 were from Dzanani district,
- * 100 Thohoyandou
- * 11 Vuwani
- * 5 Mutale district and
- * 3 Tshitale district

Capitol Park, consisting of 10 three-bedroomed flats, will be completed during this financial year at a cost of R1,2 million. These will be available for key personnel of the Venda Sun Hotel and Casino.

HUMAN RESOURCES

The current staff complement of the VDC consists of 408 permanent employees and 109 casual workers.

The emphasis on training continued during 1989 and several staff members attended one or more of the following courses :

- * Telephone Answering and Manners
- * Business Letters and Reports
- * Planning of Work
- * Induction
- * Critical Skills For Executive Secretaries
- * Management I & II
- * Problem Solving
- * Supervision
- * Performance Appraisal

A total of six employees underwent training offered by outside institutions in one or more of the following areas :

- * Labour Law for Managers
- * Recruitment and Selection
- * Selling Internal Audit to Management
- * Planning and Managing the Internal Audit Department
- * Computer Processing

All courses have been developed in order to address employee training needs for career development.

PUBLIC LIAISON

The Publicity and Liaison Division continued to embark on public relations exercise aimed at the projection of the Corporation's image within and outside the Republic of Venda.

Shuma magazine, the VDC's mouthpiece, was optimally utilized in its objective of effective liaison with internal and external investors.

In conjunction with the Venda Government, the Division organised and staged the Venda exhibition at the Rand Easter Show. The division also attended district council meetings to disseminate information on the activities of the VDC.

During the year under review, this Division was in close contact with the various news media, government departments and semi-government institutions.