

SA hotel group back at Maputo's Polana

MAPUTO'S BIGGEST HOTEL, the Polana, is to undergo a R30-million refurbishment in a joint venture deal between the Mozambican government (45%) and the South African-owned Karos Hotels in partnership with private French and Mozambican investors (55%). The company is called Hoteis Polana Lda.

Karos negotiated for a year and beat off competing bids from the US-based Sheraton, Britain's Lonrho and SA's Southern Sun and Protea groups. It will manage, market and administer the hotel under a management contract from May 1.

The deal was signed by Karos group joint managing director Stan Hoffmann and Mozambican Prime Minister Mario da Graça Mashingo, who told him he was pleased at the return of SA know-how and entrepreneurial skills and hoped that the hotel deal would be the forerunner of more SA investment.

The Hoffmann family and its Mozambican partners owned the Polana before it was nationalised when Frelimo came to power in 1975. The hotel is operating profitably with an occupancy of more than 80% of mainly foreign guests paying in dollars. Turnover is expected to be more than R25-m in the first year after the refurbishment which is expected to take between a year and 16 months.

The Karos group, whose turnover was R26.4-million in the six months to the end of September, 1989 (attributable profit, R4.5-m), is considering another Mozambican project and is looking for more hotel sites.

Mozambique's stake will be held by the Tourism Department, the state airline LAM and the state-controlled insurance company SOCIEF.

Comment

SA trade with, and involvement in, Mozambique has been increasing since the opening of the SA Trade Office in Maputo and for some months there have been moves to restore the once golden tourist trade between SA and the Mozambican coast.

However, it has been heavy going with South Africans frightened off by the depredations of the Renamo (Mozambique National Resistance) which the SA military built up as part of the destabilisation campaign against Mozambique and which it is

still accused of supplying.

Hoffmann maintains Renamo has failed to penetrate into the cities and Maputo itself is a safe city, even at night. He describes it as safer than Johannesburg.

But prospects are nevertheless limited. Mozambique has a long way to go to return to the heady days of the fifties and sixties when South Africans would drive to Maputo (then Lourenço Marques) and other destinations for a weekend break or longer in the balmy easy-going Portuguese-style atmosphere of the then colony.

However, the recent SA reforms and the conciliatory and helpful mood of the De Klerk government towards Mozambique should enable business and trading relations to improve.

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