

Timber market news

Last year's downturn in global timber demand adversely affected local markets, with low orders and volumes putting downward pressure on prices. Internationally and locally, demand for timber is improving as stockpiles of logs and pulp have decreased and production seems to be increasing. Most organisations are remaining cautiously optimistic but we strongly advise our clients to constantly monitor the situation.

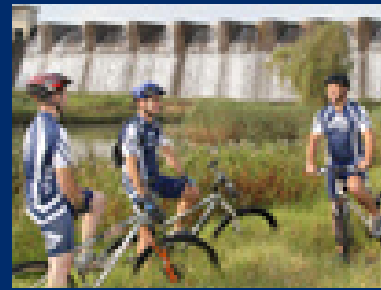
They have until the end of May to finalise values for insurance renewals so if timber price increases become a reality before then or if the prospects look good this should be factored into values. However, market volatility and potential fluctuations during the coming year must always be taken into account.



Calendar boys (and girls)

We're putting together a portfolio of scenic shots showing members of the Safire crew at pertinent picturesque locations. This month's photo was taken at Midmar Dam near Howick the day before the Midmar Mile, when hoards of swimmers descended on the calm waters of the dam (now at peak levels).

Below: Seen at Midmar Dam wall were, from left to right, Hennie le Roux, Andy Ridge and Ivan O Gorman.



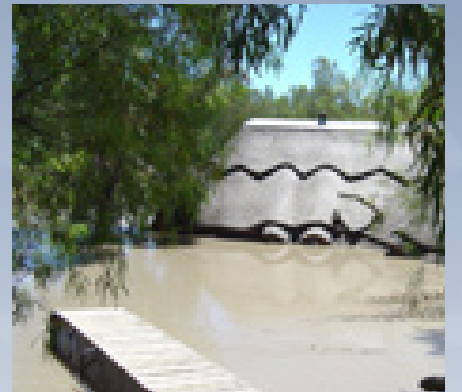
Photographer: Sean Stanton

Muddy waters

Most of the country has been suffering from the effects of severe flooding in the past few weeks, with areas along the Vaal and Orange rivers hardest hit. The Vaal River burst its banks at the end of January, resulting in road closures and the evacuation of homes and businesses. The dam was 109% full, the highest in thirteen years, and 14 floodgates had to be opened.

In the Free State, as in other agricultural areas, there was extensive damage to commercial crops and agricultural land, with the Koppies Dam overflow damaging hundreds of hectares of cropland and ruining farm dams. Douglas in the Northern Cape is one of the riverside towns that is still reeling from the floods.

This picture is of the Broadwaters Guest Farm just outside the town.



Worldwide economic tidbits this month

Same old, same old: Well, the much anticipated State of the Nation address and Pravin Gordhan's budget, the first of the new administration, don't reveal too many surprises – or shocks. Now to see what happens in reality...

"While the bazoukis play": Greece declared itself in a spot of bother, needing \$53 billion to meet its short-term obligations. The EU economy is \$13-trillion, so, with Greece representing just 2.7% of the entire EU economy, is it just a lot of bother over nothing much? It's a bit like watching a beautiful girl (think pristine rocky coves, scenic hillside villages and wine with mezze), fall flat on her face after over-indulging on hard tack at the Christmas party. Everyone stands back and wonders who'll be the first to help her to her feet...

Lean times: During the tough times of the past few months, what did you give up? Takeaway dinners? Crayfish and oysters? Overseas trips? That case of wine you used to enjoy? In the USA, the one thing consumers could not give up was – BOOKS! A staggering three-quarters of the 3000 adults questioned in an online poll said that they would sacrifice holidays, dining out,

movies and even shopping excursions, but they could not resist buying books. Eating out came a distant second, with only 11% of respondents naming it as their top indulgence.

Bright stripes in China? Having just entered the Year of the Tiger, China's leaders celebrated by raising banks' reserve requirements by 50 basis points. This as their monetary authorities try to stem huge credit flows. How this will affect investment in the region remains to be seen... Meanwhile, other ailments of the Chinese economy, including trade wars, asset bubbles and social and economic inequalities, seem to have done little to curb the excesses of those made wealthy by the country's long fat period. The privileged class that arose from the dreary 'reform' decade of the 1990s is splashing out on luxury branded goods, including Louis Vuitton handbags, Piaget watches, Rolls Royces and Cartier jewellery. Analysts at HSBC estimate that China may account for more than a third of the international growth in luxury goods this year. This with an estimated 825 000 people in the country worth more than a million pounds. Most of them are male, and their average age is 43, according to the report.

Giving something back

As a way of supporting deserving causes (not necessarily established charities), Safire is setting up a Community Chest. Every month a new recipient will be named, and we'll let you know who they are and how Safire has helped them. It's our way of giving something back.

Safire takes to the water

Two of our management team, Anton Rohrs, Safire's marketing manager, and CEO Pierre Bekker took to the water for the Duzi Canoe Marathon at the end of January. This is one of the largest canoe races in the world in terms of number of entrants, and is also one of the most challenging. This year saw some 1600 paddlers start at Camps Drift in ideal conditions of cool weather and good water, to tackle 130km from Pietermaritzburg to Durban. A total of 789 canoes finished the race, with the last crossing the finishing line in just under 21 hours. Anton Rohrs and partner Dave Patrick came in at 120, with Pierre Bekker and Derrick "Julio" Holdsworth at 182. Great stuff guys!



Anton "The Guns of Navarone" Rohrs takes on the Duzi with partner Dave Patrick.

The demerit system arrives

Yup, it's here: points are added on Big Brother's system for any traffic violations, using your ID number. How about penalising all those driving without valid drivers' licenses for a start? Speedsters, please note that there is no longer a 10km/hour grace for exceeding the speed limit – when you're over, you're nabbed.

Other penalties include demerits for overloading, 'lane discipline', dangerous towing, reckless driving and driving under the influence, following too closely, driving while using a hand-held cellphone, "excessive noise" and "hooter being used illegally". If the powers-that-be choose to enforce all of the above, will there be any taxis left on the roads in a few months' time, we wonder?

World Cup fever hits KZN

Well, sort of. The playing fields at esteemed KZN Midlands educational establishment Michaelhouse have been replaced with FIFA's required international standard grass, ready for the Paraguayan team staying at Woodridge, the classy hotel and spa next door. Wonder how many locals are learning Spanish? In case you didn't know, Paraguay is a landlocked republic in South America that's about three times the size of England...

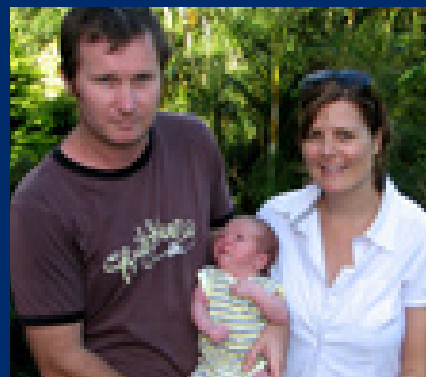
Welcome aboard

There are some new faces at head office in Pietermaritzburg: Sonya Breytenbach joins Multiline underwriting department and Henning "Hennie" le Roux joins Safire's marketing team.



Sonya Breytenbach and Hennie le Roux

Another new addition, but a bit too young to be at the office just yet, is Gareth and Linda Smallbones' baby boy, Nicholas. He popped in for a quick visit a few weeks ago.



Gareth and Linda Smallbones with new arrival Nicholas.

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