

IZASA 2011 Review



The collage includes:

- A central graphic featuring a brain with various thought processes labeled: "THINK PROTECTION", "Think energy", "Think cost effective", "Think designer", "Think health", "Think natural", and "THINK ZINC".
- A photograph of two farmers examining corn plants in a field.
- A photograph of an industrial zinc production facility with tall structures and pipes.
- A photograph of a modern building with a unique, angular roof and a red support structure.
- A photograph of a road with yellow directional arrows painted on it.
- A photograph of a large, multi-story building with a grey metal roof and brick base.
- A photograph of a field with rows of crops under a clear blue sky.
- A photograph of a magazine cover titled "Handboek oor Mikro-elemente" (Handbook of Micro-elements).
- A photograph of a person working at a trade show booth with a large clock and a banner about the future of coated steel.
- A photograph of workers on a utility pole in a rural setting.

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HIGHLIGHTS 2011

2011 was a year of two halves. The first 7 months showed good activity with high level presentations to a wide audience on the zinc industry and its vision going forward for the region. It is clear that the high level of activity in neighbouring countries will bode well for the near term despite the lack of glitter in South Africa. The second part of the year was dominated by the scramble for zinc as Exxaro announced the termination of zinc production by Zincor effective from December. Numerous zinc suppliers visited South Africa and IZASA was able to play a pivotal role providing zinc customer data to effect dialogue. The mid-year published 2010 Regional Zinc Market Survey showed itself to have been quite timeous and has been used as the basis for market strategy by a number of key zinc suppliers eyeing the South Africa market. More public engagement continued with numerous press articles highlighting the buoyant nature of the industry despite the (probably temporary) lack of local production.

The 2010 Market Report showed just how dependent the zinc industry is upon Gross Fixed Capital Formation and Industrial Production. The key markets in South Africa are in galvanizing which is very dependent upon investment. The poor figures in 2010 did not really improve during 2011. The commodities boom has largely passed South Africa by but, fortunately, the region as a whole is experiencing good times with high levels of investment into the primary sector specifically from the BRIC countries. Indeed, Angola recorded the highest growth rate of any nation globally (even higher than China) and is poised to become one of the largest economies in Africa in the near term. The rapid rate of infrastructure investment will be reflected in higher sales from General Galvanizing industry. Those located on the reef have been able to take advantage of Eskom and regional mining development.

In terms of activity, project work continued in key member areas of galvanized products, fertilizers and construction. Promotion work focused largely on presentations at conferences and seminars as exemplified by a Keynote Address at the 6th Southern African Base Metals Conference, organized by the Southern African Institute for Mining and Metallurgy (SAIMM) held in Phalaborwa in July and a major contribution to the recent Mining Weekly's Base Metals Feature.

Fertilization and Health (the benefits of zinc)

This year has seen a ramp up of zinc in fertilizer activity. IZASA member Zinchem has a fully staffed sales force operating countrywide in South Africa and its inroads into the fertilizer market are already having impact. Numerous technical brochures have been produced demonstrating the advantages of zinc sulphate as a zinc source in South African soils. Supported by a radio and television campaign, this is the first promotional activity of its type globally.

A United Nations Common Fund for Commodities project to demonstrate the use of zinc sulphate has been started in Malawi. Malawi was chosen as the country of interest due to two factors:

1. Malawi has an operational Fertilizer Subsidy Program. Thus, simple inclusion of zinc into the mix should the trials prove successful should be achievable
2. Operating under the AGRA banner, the Chitedze research station in Malawi is part of a continent wide program to develop better agricultural practices. With the project being run through this station, the results will be available to a wide audience. The hope is that even donor fertilizers will be specified as requiring zinc when destined for Africa.

The constant liaison with the South African Fertilizer Society was reinforced this year through participation in the AGM and Conference programmes.

The long awaited revised Fertilizer Regulations were promulgated in 2011. The minimum content of zinc in fertilizers was placed at 5 g/kg and importantly, the limits on lead and cadmium were brought in line with international norms. IZASA will continue to fight for a higher level of zinc in all fertilizer products through its local contact base.

Despite the offer to support zinc supplementation, meetings with the Department of Health were unable to determine a route forward. Although this is seen as disappointing, further contact will be made to try to provide community benefit where appropriate.

Designed electricity distribution poles

After a long period of minor interest, the market locally and regionally is beginning to show promise. The light weights of the poles make them easy to transport to remote locations. Logistics is a key constrain to market development in Africa so any minimizing of this offers advantages. Sales have now been made in three countries locally.

With the acceptance of the shaped poles for use in electricity distribution in China, attention is turning to developing further country markets and looking for more opportunities. Problems with concrete quality in China have resulted in a move to steel which it is hoped to take advantage of through a new partnership.

After a trade visit to South America, the possibilities for further partnerships are being explored.

In addition, the possibility of new markets such as catenary systems is being explored locally and internationally.

The use of light-gauge galvanized steel in residential construction

A framework for a national corrosion exposure program with a focus on steel-based building systems is nearing completion. This will be reported upon next year and will include whole systems rather than just the materials themselves.

Support of promotion of the use of 55%Al/Zn in building products has focused largely upon a drive for entry into standards and regulations. The NHRBC has given approval for inclusion in any government tenders and the revision of SANS 10 400 has also resulted in inclusion of 55%Al/Zn material. Other standards are being addressed.

A series of technical articles are being prepared to support promotion during 2012.

South African Pollution Controls

The national pollution control regulatory framework has shown further developments during 2011. IZASA is tasked to only report progress and illustrate areas where impact upon the industry is likely. Various notes have been circulated to the membership and industry at large. IZASA will continue to monitor progress for the industry especially in terms of the GHC inventory system.

Activities relating to zinc casting

With the zinc die-casting industry being small in South Africa little activity in this area exists. IZASA continues its membership of the National Foundry Technology Network and has scheduled support seminars for 2012.

COMING SOON 2012

It is essential that IZASA is fully cognisant of the aspirations and needs of the zinc industry in the region. To review the current situation, an industry workshop will be held with industry to review the progress so far and determine the key focus areas going forward. Further information will be placed onto the IZASA website www.izasa.org

The fertilizer development program has been extended to include the Fruit Growers Association and a joint activity is planned for 2012.

Regional activities will focus on how to maximise the opportunities for the industry as a result of the mining boom to the north.

For further details on these activities and to keep abreast of news and further events please refer to our web site www.izasa.org .

WHAT IS IZASA?

IZA Southern Africa (IZASA) was established in 2002 as the body representing the International Zinc Association in Southern Africa. IZASA has local members with a regional focus and engages each on specific activities relating to their market aspirations.

The principles adopted by the IZA in establishing regional operations, is that fast track market penetration can be effected in markets where successful interventions have worked elsewhere. This is particularly important in regional activities where leverage is not just related to funding but also to people. In the operational strategies of IZA Southern Africa (or IZASA), partnership and leverage principles are applied through identified champions.

IZASA has now taken the principle one step further by seeking local members with a regional focus and engages each on specific activities relating to their market aspirations. In addition, locally developed products are supported through external market contacts. Through adoption of this business model, specific activities target meaningful goals where business opportunities can be created and developed. Where appropriate, the business development process is rolled out regionally and even globally with the proviso that market development must increase zinc consumption absolutely rather than create zinc use competition amongst existing players.

IZASA is continually looking for members. By becoming an Affiliate member of IZASA, companies become automatic members of the International Zinc Association based in Europe. Representing over 75% of the world's zinc producers this body acts as the voice for the industry on all issues facing the industry. The IZA has established regional bodies globally and through the IZASA members become part of the global industry. The benefits of membership are:

- participation in a group to benefit the industry and YOUR company
- the leverage of global network to assist with industry and market development
- receipt of alerts and analysis from IZASA and IZA
- communication on commercial leads
- a greater lobbying voice to assist with developing appropriate government frameworks
- opportunity to shape regional market development programmes to further local industry development
- information and assistance on resolving issues impacting upon the industry
- participation in IZA committees that shape the industry

In return IZASA expects from its members:

- a commitment to industry development and growth
- political support for industry positions
- active participation in IZASA programmes

*If this approach suits you, call us and see where we can work together. THINK ZINC!
083 456 4989*