IZASA 2013 Review

- Market supply adequate but South African market subdued
- Local supplier increasing market development commitment
- Market Report indicates growth opportunities to the north of South Africa
- Regional market development in progress to support infrastructure investment activity
- Alloy market supported through key initiatives
- Research activities support use of zinc coatings in construction
- The importance of zinc to the Fertilizer industry recognised.
- Malawi Fertilizer program shows benefits of zinc
HIGHLIGHTS 2013

2013 marked a watershed whereby IZASA’s regional activities grew to match the fact that the Sub-Saharan Africa zinc market now exceeds that of the SADC region. It is estimated that there are some $223bn worth of projects currently underway in Sub-Saharan Africa with over $150bn in transport alone. Much is being done to increase cross-border trade. This will result in opening up of markets and zinc should be positioned to take full advantage of this. The 2012/13 Zinc Market report indicates current and future possible growth scenarios. The zinc market in South Africa contrasts markedly with that of Sub-Saharan Africa. Little growth is happening in the South African zinc market with no change envisaged for the immediate future.

IZASA has been active locally and regionally. The United Nations Common Fund for Commodities project to demonstrate the benefits of zinc additions to fertilizers for maize crop production was completed in September. With funding from the International Zinc Association, IZASA was able to manage the program to a successful conclusion. Malawi has an operational fertilizer subsidy program and a fertilizer composition containing zinc is now being actively promoted in Malawi. Outside of the project there are intentions to see how blood serum levels of communities using the zinc containing fertilizers are impacted and further crop specific recommendations are being investigated as part of a regional fertilizer program. The key objective is the growth in fertilizer use in Sub-Saharan Africa to global norms and provide for a 100 000 zinc tonnes of opportunity.

Closer ties have been forged with the Deciduous Fruit Growers in South Africa. A presentation was given by Prof Ismail Cakmak to the Fieldmens Consultants and a student group in Stellenbosch in September. In South Africa various government interventions have been formulated which may well assist the zinc market. The fertilizer market is particularly active and the importance of zinc was reflected in the fact that it was a focus of a Fertilizer Society (FSSA) meeting in March which resulted in the Registrar of Fertilizers issuing a limitation on the use of unrefined zinc ash for fertilizer use. This was done to avoid future contamination issues such as those experienced by the pineapple growers a few years ago. IZASA has provided a first draft on micronutrients in fertilizers to be included in the revised South African Fertilizer Handbook. In June, the FSSA conference focused largely upon the use of zinc in fertilizers, trends and benefits. These activities have resulted in a Memorandum of Understanding being signed between IZASA and the FSSA. It is hoped that this will enable greater representation at regional events where increased fertilizer use is being promoted.

Visits to Kenya have demonstrated the opportunities for the use of zinc in improving immunity and it is hoped that this project will gain momentum in 2014. The Kenyan market for galvanized products is growing as many projects come on stream and middle class growth is supporting the construction industry. Regulatory control of construction is being sought to provide for proper scaffolding use and provide a market for zinc-coated systems. Galvanized piping is widely used in Kenya although imports have created some
difficulties for local suppliers. These are being addressed with local IZASA members and the Kenyan Bureau of Standards.

In South Africa the alloys business has suffered greatly for many years. The importation of white goods and products using zinc alloys has resulted in a dwindling market where volumes have made the economics of production uncertain. Government has placed controls on exports of un-beneficiated scrap which could lead to greater use of secondary arisings by local value adders. In addition, the new Automotive Production and Development Programme – APDP – has as a key objective to further develop local sourcing. How these initiatives will assist with revival of the zinc alloys business remains to be seen.

Support for the use of zinc-coated sheeting into the construction industry has continued although progress, in terms of the formal listing of products has been extremely slow. IZASA is partnering a series of programs to define service performance – zinc coatings and fasteners - and it is hoped that this work will provide some meaningful results in 2014.

IZASA was able to promote zinc through various platforms this year such as the Metal Castings Conference in March, various Engineering News inputs and was invited to give a Keynote address at the Base Metals Conference.

During 2013, IZASA had to relocate its operation and this has proved quite a challenge. Notwithstanding this, IZASA is grateful to those who have assisted in making the transition as smooth as possible. Membership has increased and it is hoped to increase this further in the coming years to greater reflect the regional nature of the organisation.

**COMING SOON 2014**

**Regional marketing.** Visits are already planned for Namibia and Kenya with others under consideration. Interested parties are encouraged to speak to IZASA.

**Fertilizer and health.** It is hoped to start some projects in South Africa and Kenya. In addition, the market potential in West Africa will be explored.

**Alloys market development.** Through identifying new market potential, as a result of changes in government policy directives, in auto specifically.

**Zn/Al products.** The Corrosion mapping project should provide some usable data during the coming year. This will enable greater adoption of use of Zn/Al products through the provision of “real life” data.

**Galvanized tubular products.** Market development in key markets is still required north of South Africa.
FOR FURTHER DETAILS ON THESE ACTIVITIES AND TO KEEP ABRSE OF NEWS AND FURTHER EVENTS PLEASE REFER TO OUR WEBSITE www.izasa.org.

WHAT IS IZASA?

In 2000, as a region, the intensity of zinc use in southern Africa was about 40% lower - when measured in respect to steel consumption - than in the U.S. and Europe. Devastated by isolation, war, political turmoil and drought, the region offers opportunities for sustainable growth off a low base.

Initial activities focused upon analysis of constraints and opportunities within the existing zinc industry. This program was called the South African Zinc Initiative supported by the Department of Trade and Industry and three industrial partners namely Exxaro (formerly Kumba Resources), Anglo American and ArcelorMittal Steel SA (formerly Iscor). Tasked with analyzing the opportunities and constraints present in the South African zinc market, an analysis was carried out which showed key areas for growth. Specific intervention strategies were developed in the galvanizing, alloy and chemicals sectors. The establishment of IZASA was born out of the South African Zinc Initiative in 2002 as the body representing the International Zinc Association in Southern Africa to develop the market for zinc regionally. The remit of the organization stretches to the Sahara such that marketing targets are all of Sub-Saharan Africa.

The International Zinc Association is recognised as the industry forum on matters as diverse as international marketing to the management of the sustainability of the industry over the long term. This is managed through being the voice piece of the industry in its dealings with regulators and governmental agencies. The guiding 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. Regional operations tend to be staffed by a single person or a person and an assistant. In the operational strategies of IZA Southern Africa (or IZASA), partnership and leverage principles are applied through identified champions.

IZASA is empowered to

1) Grow the market for zinc and grow the market share in competitive industries
2) Focus on market development projects
3) Educate the market with respect to the optimal use of zinc
4) Build the customer knowledge base and assist with one-on-one marketing
5) Educate sales forces and merchants with respect to technical aspects and services available
6) Increase visibility in the specifiers market as the information experts in zinc
7) Market the benefits of zinc
MEMBERSHIP

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 group activities to benefit the industry and YOUR company
- the leverage of the zinc global network to assist with industry development
- participation in concept marketing regionally through regional visits and other activities
- receipt of alerts and analysis from IZASA and IZA
- communication on commercial leads
- a greater lobbying voice to appropriate government frameworks
- the 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 to shape the industry
- receiving the Zinc Network
- entitlement to send delegates to Zinc College. This is the sole event that informs senior personnel about the zinc industry and provides for a major networking opportunity.
- direct access to IZA publications, free of charge
- use of a free Zinc Logo license

In return IZASA expects from its members:

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

For further information please contact IZASA on 083 456 4989 or izasa@icon.co.za or visit our web site www.izasa.org