IZASA focus on infrastructure construction opportunities with galvanizing opportunities moving north

East Africa focus pays off with high zinc usage projects identified

Corrosion performance prediction requirements highlights the need for local experts

Solar projects could be the todays saviour for African galvanizing market

Unravelling the zinc opportunities for fertilizers in Africa

IZASA partners the development of a case history Galvanizing in Mining brochure
HIGHLIGHTS 2014

It is difficult to explain to those outside of Africa how much development is occurring within Africa without being accused of exaggerating. Over the next decade, 6 out of the 10 countries having the highest growth rates will be in Africa. IZASA is currently extending its reach to ensure that the market potential for zinc is fully exploited.

The infrastructure boom in Africa is now such that continuous galvanizing plants are being constructed in most countries to meet the construction needs. Capacity in Sub-Saharan Africa (excluding SADC countries) has now reached approximately 2.5m tonnes. New plants are being established in Tanzania, Uganda and Ethiopia in East Africa and, Nigeria is leading the way for West Africa. In Southern Africa new plants are planned for Zambia and South Africa. To support the use of zinc coated steels IZASA has facilitated the establishment of a corrosion performance network to enable companies to demonstrate performance and enhance confidence in use through appropriate guarantees. The good attendance at seminars such as that given at the Building Expo in Nairobi, in Kenya, in May highlights the need for direct marketing support. The regular visits to Kenya have been supplemented with visits to Ethiopia and neighboring Namibia to partner various member activities including exploratory visits to look at galvanizing plant establishment.

The promotion of general galvanizing in Africa is a key focus area as many projects could utilize these facilities. Transport, water and transmission projects are dominating East Africa with the construction of the Renaissance Dam (currently 40% complete) on the Blue Nile in Ethiopia destined to be the largest hydro-power project in Africa as well as generating much needed foreign exchange. The urban metro in Addis Ababa will use galvanized poles for the catenary system and coated steels will be used in all the 41 stations! Extensive port developments in Kenya ($25bn), Tanzania, Djibouti and Mozambique in East Africa, Ghana in West Africa and Namibia are all opportunities for the taking.

Although initially much economic development in Africa was supported through mining, development growth is largely outside of this industry today. However, in order to ensure that galvanizing is used in mining development, IZASA was able to provide the backbone of input into the IZA brochure on Hot Dip Galvanizing in Mining. Power supply, although being addressed through a substantial power station construction program throughout Africa, is constrained such that solar projects are offering the galvanizing industry a market size that could approach that of mining in the past. Large projects have been carried out in South Africa and in the north particularly with many projects being developed to support housing development such as those in Tanzania and the Nzema project in Ghana powering 100 000 homes.

Support for the use of continuous galvanizing in South Africa has mainly been through representation on various construction standards development committees. Inputs into the SANS 10400 series and light steel framing have largely centred on the provision of
performance information. A corrosion map has been included in the standard for the first time and this will be updated as new information is developed. The alignment of SANS and NHBRC systems should ensure that all zinc coated materials are included in the standards. This work will be transferred into other regions of Africa as appropriate.

The promotion of use of zinc in fertilizers is yielding meaningful results. In South Africa, working with the Fertilizer Association (FertASA) this year, input has been provided into the regulatory frameworks for product quality. A dedicated chemicals plant for fertilizer inputs is under construction in South Africa and is about to be commissioned. This will increase product availability as well as competitive pricing possibilities. The legacy from the United Nations Common Fund for Commodities project in Malawi is that zinc is now part of the national fertilizer subsidy program with IZASA assisting in sourcing inputs. In Ethiopia meetings with the Agricultural Transformation Agency, which has the mandate to double crop production in Ethiopia within 3 years, has resulted in the acceptance of zinc such that a linkage program is under consideration to ensure that nutrition requirements meet the need of the general population. Ongoing projects of the International Fertilizer Development Council (IFDC) on rice in countries such as Rwanda and Burundi have demonstrated the need for zinc additions to fertilizers. IZASA is currently engaged with various suppliers of zinc sulphate within Africa to link demand opportunities with supply.

The zinc alloys business in South Africa remains a concern. Various government initiatives are being tried and IZASA is participating with these, in particular the National Foundry Technology Network (NFTN). However, the remaining markets in South Africa have resulted in only a few companies continuing in zinc die-casting. The general alloys business – locally produced anodes and alloys for brasses remains depressed as does the zinc chloride battery business with local flat cell production having ceased.

Promotion of zinc use remains a cornerstone of the IZASA activity. An Industry Meeting, hosted by Vedanta, in June outlined the local supply developments and the recent announcement of the Gamsberg project augers well for the future both in terms of local zinc supply and greater involvement of the local (regional) zinc producer in regional marketing. A number of inter-government issues have to be addressed and IZASA, having established contacts, will assist where possible as the industry representative body. Various information articles have been written for South African and regional publications. During the year, over 50 face to face meetings have been held with zinc industry customers throughout the continent.

Membership of IZASA has increased such that most members now have a full African reach which is encouraging going forward. As always, an association is only as good as its member involvement. IZASA is grateful to its membership who have been supportive of the industry development programs which have resulted in IZASA being viewed as the representative body for the industry within Sub-Saharan Africa as a whole now in addition to just South Africa.
2015 PLANS - COMING SOON

**Further regional marketing.** The focus into Africa (especially West Africa) will continue with a more aggressive approach to getting more galvanizers involved to the north of South Africa. Interested parties are encouraged to speak to IZASA. The recent announcement by Vedanta of the Gamsberg Project should provide an added impetus for regional market development. Regional seminars and training programmes are planned for East and West Africa with member partners.

**Zinc coated products for construction.** The various corrosion mapping and expert development projects will be supported through provision of technical support and encouragement of company sponsorships. A long term goal is the provision of data for Africa as a continent and the development of local expertise. This will take some years but will be a worthwhile investment in terms of future growth of coated steels into construction. The standards development work is being concluded in South Africa with the opportunity to transfer the detail to other countries.

**Fertilizer and health.** With the increased awareness of zinc in fertilizers resulting in enquiries, it is hoped that IZASA will be able to facilitate a greater match-making process between regional demand and regional suppliers. In addition, leakage of secondaries in particular out of the continent needs to be contained. A competitive business environment is the only way forward and as such IZASA will encourage local value adding.

**Alloys.** The use of alloy additions in general galvanizing is promising with an increasing level of interest being recorded. To access more markets this process needs to be continued and further development into areas such as East Africa encouraged. The new South African government policy on auto industry support may provide for better use of zinc die-castings although currently the market is under stress. The recent announcement by Ford of establishment of facilities in Nigeria may offer new opportunities within Africa.

**Galvanized tubular products.** The projects within Africa offer substantial opportunities for tubular products (electricity distribution, construction and water distribution). Marketing into Africa, whilst tough, remains a key component of IZASA’s activities with particular emphasis on partner identification.

For further details on these activities and to keep abreast of news and further events please refer to our web site [www.izasa.org](http://www.izasa.org) or feel free to contact us directly.
WHAT IS IZASA?

Zinc use in Africa remains low with both supply and demand considered underachieving in terms of population and geography. Established in 2002, IZASA’s role was defined as the development of the zinc market in Sub-Saharan Africa. 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. With key economies within Africa now approaching, or exceeding, double digit GDP growth rates the development of infrastructure is now demanded by the population rather than just those exploiting resources. A sustainable economic model is being established with Africa remaining the final global marketplace for many products including those containing zinc.

Initial activities of IZASA 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). 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