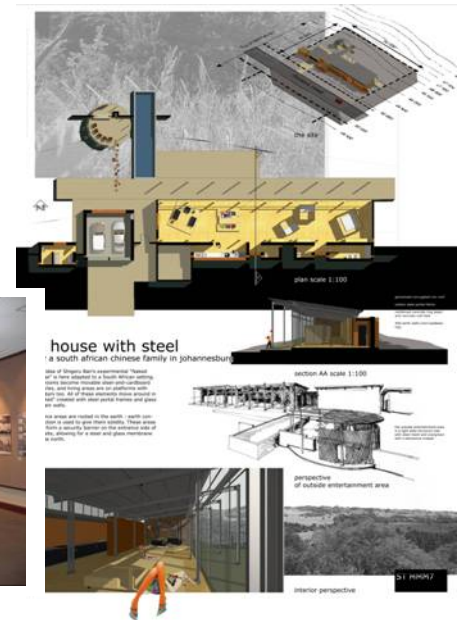
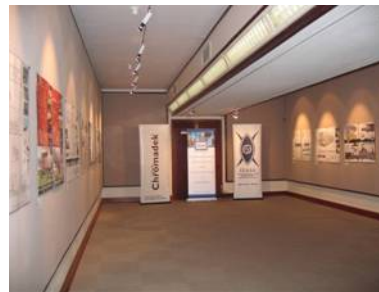


IZASA 2005 Review



IZASA
INTERNATIONAL ZINC
ASSOCIATION OF
SOUTHERN AFRICA



- Fertilizer seminar focuses on zinc micronutrient additions**
- Nutrition Group shares information with African delegation**
- Alloys Workshop sets stage for inclusion of zinc in government metals controls**
- New designed Utility Poles ordered by Eskom**
- SA Parks Board adds recommendations from test programme to its wire standards**
- Student architect competition supported to promote galvanized steel in residential construction**
- New national guidance document opens way for greater market penetration**
- Environmental Workshop highlights the benefits of zinc**

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BACKGROUND

IZASA was established in 2002 as the body representing the International Zinc Association in Southern Africa. Initial activities focused upon analysis of constraints and opportunities within the zinc industry. This program was called the South African Zinc Initiative. Supported by the international zinc industry, the IZA has established itself as the industry forum on matters as diverse as international marketing to the management of the sustainability of the industry over the long term 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.

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. The establishment of IZASA was born out of a South African initiative to develop the market for zinc locally. Working with government agencies; three parties, namely Kumba Resources, Anglo American and Iscor (now Mittal Steel SA) set up a study group – the South African Zinc Initiative. Tasked with analysing 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 have been developed in the galvanizing, alloy and chemicals sectors.

IZASA intends to

- 1) Grow the market and grow our market share.
- 2) Increase sales by 40 000 measurable tonnes over a 5 year period.
- 3) Focus on market development projects
- 4) Educate the market with respect to the optimal use of zinc.
- 5) Build customer knowledge base and increase one-on-one marketing.
- 6) Educate sales forces and merchants with respect to technical aspects and services available.
- 7) Increase visibility in the specifiers market as the information experts
- 8) Market the benefits of zinc.

HIGHLIGHTS 2005

The 2003 report showed that the establishment of partnerships had developed such that project champions had been identified and were keen to roll-out various projects. 2005 proved to be a year where IZASA was able to showcase some success stories. The IZA operational tenets are leverage and the formation of partnerships. IZASA has taken this model and working through its key partners has managed some successful programs.

Fertilization and Nutritional benefits of zinc

IZASA worked closely with the Fertilizer Society of South Africa (FSSA) and the South African Sugarcane Research Institute (SASRI) to host a one day symposium in February entitled **Micro-nutrients in Agriculture – The demands of sub-tropical crops**. This proved to be highly successful with almost 100 delegates attending the symposium. Under the theme that *it is time for South Africa to shift to a new agricultural strategy based upon what is good for the consumer and profitable for the farmer* much focus was on the benefits of zinc and the consequences of deficiency over a broad range of animal husbandry and crop management areas.

This has been followed up with various consultations and promotional events. Coinciding with the International Nutrition Congress in Durban a Round Table discussion was held between the International Zinc Nutrition Consultative Group (IZiNCG) and various South African nutritionists and public health officials. These included representative from the Department of Health, Nepad, UNICEF and the Micronutrient Initiative. With the intention of linking the international activities of the IZA with local bodies this meeting has paved the way for developing stronger links with nutrition and agriculture strategies for Africa as a whole. During the Congress itself, IZiNCG managed a session devoted to zinc in nutrition.

This work continues as part of the IZA's international initiative. IZASA will, with the FSSA, jointly host a Conference on *Fertilizers and Sub-tropical Fruit Production* in February 2006. Prof Giel Laker will highlight the role of zinc in citrus production.

Zinc Alloys intensity of use in South Africa

Since the commencement of the South African Zinc Initiative in 2002, the demise of the local zinc alloy value adding industry (particularly zinc die-casting) has been a cause for concern. IZASA has worked with the Non Ferrous Metals Industry Association in an attempt to have zinc included in export controls which restrict local availability of secondary material. An initial proposal was revoked by government after initial acceptance and has been an ongoing cause for concern. In an attempt to revive the consultation process an Alloys Workshop was held early March to look at the requirements requested by government in terms of the Customised Sector Programme for the zinc industry. It was felt that the Alloys situation provided an immediate example of where issues and consequences were known and a framework could be constructed to engage government to address the situation. Since March one industry participant has gone out of business and it is again felt that without a political will this industry will disappear from South Africa. Some redress may occur through the new proposed Second Hand Goods Act currently in draft form with requests for comment. However, the issues relating to availability of competitive secondary arisings remains a major cause for concern. IZASA sees one of its roles as that of spokesman for the industry and will continue to do what it can to support local industry in lobbying government to provide an enabling environment.

The use of galvanized utility poles for electricity distribution

After a number of years of intensive effort, a 27 kilometre pilot project has used the newly designed galvanized steel distribution poles. Working closely with Macsteel Tube and Pipe, the new design was tested and approved early in the year. This was followed by installation of poles at the Eskom Witbank Training site and, after feedback from installers, a modified system has been accepted, approved and, through the Approved Supplier project partner, is now entered in the Eskom Approvals Listing scheme. It is hoped that the pilot project will be the first of many projects employing the new design and a Life Cost Analysis will be carried out on the new installation to provide further motivation for regular acceptance. Installation of test poles at various Training Centres may be carried out during 2006. Interest in the design has been expressed from overseas and licensing may be considered.

Recommendations that heavy galv. should become the norm for fencing

After release of the *Report on the results of an eleven year exposure study on farm fencing wires in South Africa* last year the reports recommendations are gaining acceptance universally. To support the information campaign two brochures were produced:

- Selecting zinc coated steel fencing and,
- Zinc Coated Fencing Materials as an advisory for emerging farmers.

Various information events were carried out during the year and editorial provided to the major agricultural cooperatives throughout the region. The SA Parks Board has taken the recommendations into its requirements for park fencing. A current order in compliance with this is being handled by the industry.

A plethora of wire standards exists within the country at the moment. IZASA has made representation to the SA Bureau of Standards to rationalise these and it is hoped that this process can commence soon.

The use of light-gauge galvanized steel in residential construction

The SA Institute of Steel Construction (SAISC) instituted an Architects Competition as part of a continuation of the original IZASA initiative of steel roof framing. IZASA sponsored the Student's Prize for the competition which received entries from all the Departments of Architecture in the country. Working regionally, the submissions will be exhibited at major building exhibitions during the next 24 months to showcase the benefits of using light-gauge steel. Until recently, framed construction methods have been restricted to roofing which has traditionally been of wood. Working with the SAISC and Mittal Steel SA, this initiative is seen as part of an ongoing programme to promote the use of light-gauge steel framing in residential construction. For 2006, a Working Group meeting will be held to determine the key issues to be addressed to accelerate the rate of market penetration. At this early stage it is envisaged that these will include the need to provide standards and skills to this emergent construction sector. To promote the specifying by architects of steel, a training programme within the curriculum at tertiary institutions will be put together and the sponsorship of the Students' Prize, given at the Annual Architects Convention continued for the foreseeable future.

Promotion of the use of galvanized water piping

Two seminars were held during the year to support the product development activities of a member. With the release of the SANS ARP 060 2004: *Guidance on the use and application of*

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hot-dip galvanized steel piping for the transportation of potable water in South Africa, new opportunities are available to promote galvanized water piping products with confidence. The SABS recommended practice document provides guidance on all aspects of the use of galvanized water piping and has already been used to support new product development activities.

Environmental Activities

In recent years, there have been significant advances in our understanding of zinc's role in the environment and a wider recognition of zinc's importance for human health and nutrition. Many of these advances have been driven by industry's investment in ecotoxicity research programs managed by the International Lead Zinc Research Organisation (ILZRO) and other industry-funded programs. A wealth of knowledge now exists to the benefit of the worldwide zinc industry. IZASA partnered a Workshop with the IZA in September to present the current state-of-knowledge. Using international IZA and ILZRO staff to present the information, the format provided an opportunity for breakaway groups to discuss the relevant impact of the work carried out so far and what should be done in the future to address knowledge gaps. Some 60 people attended the Workshop. The outputs from this Workshop have been incorporated into the overall IZA Environmental Program.

COMING SOON 2006

Hot dip galvanizing conference, February 6th & 7th 2006.

In response to discussions with industry, IZASA will be holding a hot dip galvanizing conference. Key international speakers and local experts will discuss the changes in technology, the requirements for galvanizing, market experience and new market opportunities available for the industry. The conference is supported by the Hot Dip Galvanizers Association of Southern Africa.

Hot dip galvanized rebar – the 2006 Road Shows

The IZA has embarked upon a major campaign to promote the use of hot dip galvanized reinforcement for concrete in structures. Largely driven by the legislative changes in North America and Europe, corrosion resistant rebar will become the norm in many structures. It is important that hot dip galvanized rebar gets its fair share of the potential market. A series of two-lecture seminars are to be hosted around the country early in February in partnership with the Hot Dip Galvanizers Association of Southern Africa.

Fertilizers and sub-tropical fruit production symposium, February 10th 2006

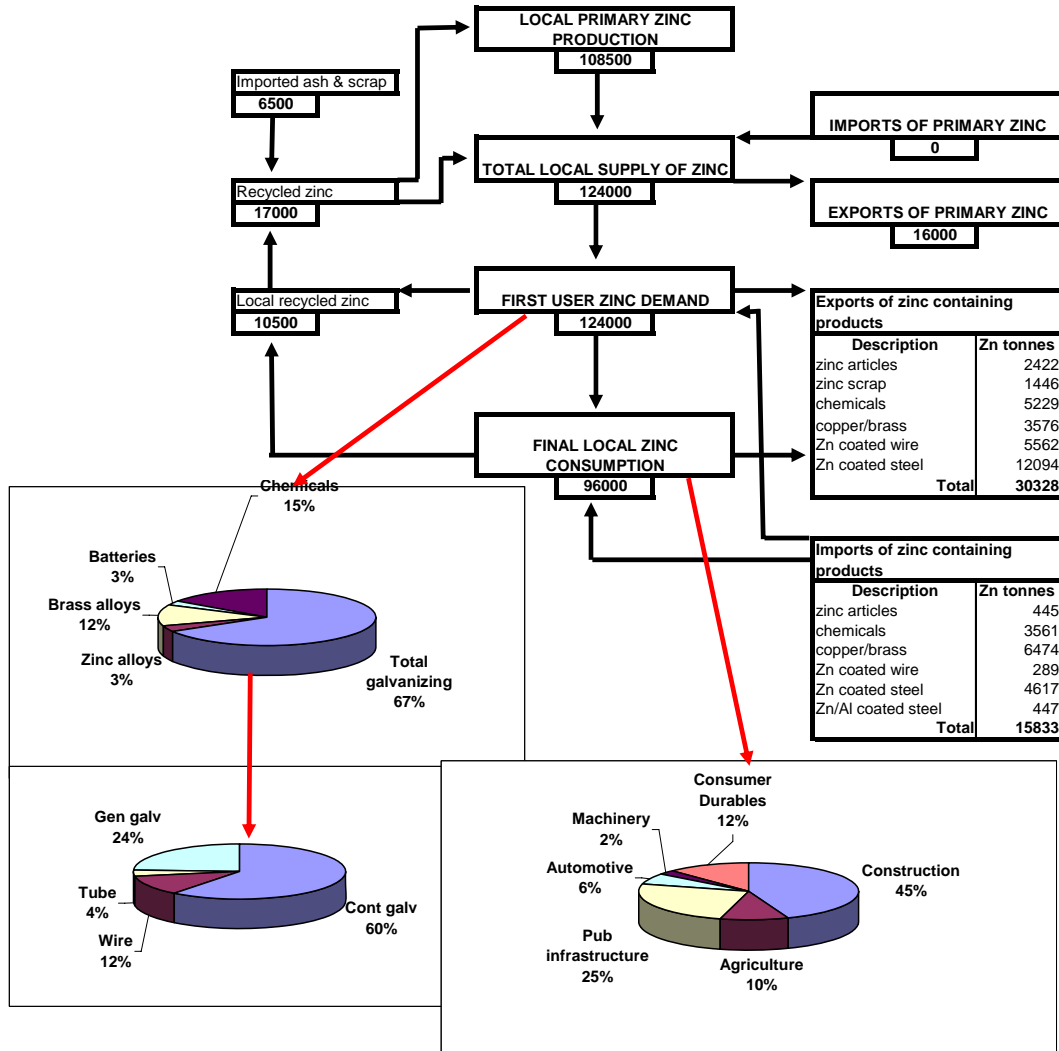
In partnership with the Fertilizer Society of South Africa, a symposium will be held to discuss the key issues relating to fertilizers and citrus, nut and sugar production. In discussing micronutrient additions, the role of zinc, its importance and major methods of nutrient delivery will be discussed.

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

ZINC FLOWS 2004

Since the inception of the Zinc Initiative market figures on the consumption flow of zinc within the South African market has been evaluated to allow for comparison with earlier data. This information is valuable in providing insight to those companies and individuals looking for further opportunities within the South African zinc industry. This practice will continue as a function of IZASA.

ZINC FLOWS IN THE SOUTH AFRICAN MARKET FOR 2004 - zinc tonnes equivalent



Although comparisons are inevitable overall growth has continued but some areas showing strong growth during the 2002 period have fallen back. This can largely be attributed to lower consumption by exports due to a stronger Rand and continues to a degree into 2005. However, of interest is the overall growth of consumption of zinc containing products. The domestic consumption (often termed apparent local consumption) has risen to 96 000 tonnes from 64 000

tonnes. Although at first sight pleasing, it has to be said that in effect local consumption has risen but, with the exception of continuous galvanizing, local value adding industries have not been the major beneficiaries which is disturbing. It is for this reason that IZASA continues dialogue with government to provide an enabling environment.

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:

- receive alerts and analysis from IZASA and IZA
- get access to a global network
- receive communication of commercial leads
- have a forum to hold group discussions
- have a lobbying voice
- have the opportunity to shape regional market development programmes
- are invited to participate in IZA committees and shape the industry
- receive the Zinc Network
- become entitled to send delegates to Zinc College
- receive IZA publications, free of charge
- receive 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