

# stainless steel

the journal of the southern africa stainless steel development association



AUGUST 2020

## LIGHT AT THE END OF THE TUNNEL?

**33.3%**

**DISCOUNT  
ON MEMBERSHIP**

**PROJECTS  
WITH POTENTIAL**



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## features

- 2** **perspective**  
A message from Sassda Acting Executive Director Michel Basson
- 4** **membership update**  
An immediate 33.3% discount
- 6** **global market intelligence**  
What's happening in the world of stainless steel?
- 8** **sector focus: water**  
How stainless steel can help fix SA's infrastructure leaks



- 11** **projects with potential: oil & gas**  
Africa's largest oil & gas project
- 14** **steel master plan**  
The role of stainless steel in a post COVID-19 economy
- 16** **education & training**  
Sassda's online learning goes live!
- 18** **obituary**  
dave rowlands
- 19** **obituary**  
tony bagnall



## Contact us

**Tel No** 011 883 0119  
**Email** [info@sassda.co.za](mailto:info@sassda.co.za)  
**Website** [www.sassda.co.za](http://www.sassda.co.za)

## Sassda

**MICHEL BASSON**  
 Acting Executive Director  
[michel@sassda.co.za](mailto:michel@sassda.co.za)

**FRANCIS LE ROUX**  
 Head of Administration  
[francis@sassda.co.za](mailto:francis@sassda.co.za)

**MANKABE MORE**  
 Education & Training and Marketing  
[mankabe@sassda.co.za](mailto:mankabe@sassda.co.za)

**LESLEY SQUIRES**  
 Market Intelligence and Exports  
[lesley@sassda.co.za](mailto:lesley@sassda.co.za)

**KIM STEVENS**  
 Events, Email Marketing and Website  
[kstevens@sassda.co.za](mailto:kstevens@sassda.co.za)

**JOSE HERON**  
 Accounts  
[jose@sassda.co.za](mailto:jose@sassda.co.za)

**LUISE ALLEMANN**  
 Content, Social Media and PR  
[luisse@mediaink.co.za](mailto:luisse@mediaink.co.za)

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# WE'RE WITH YOU EVERY STEP OF THE WAY...



**W**elcome to the first digital version of Sassda's Stainless Steel magazine. You will recognise the format and quality content with the major difference that no trees were sacrificed! The decision to go digital is not only an effort to shrink our carbon footprint but also allows us to save costs and make the content more accessible.

Although the industry started the year with a positive and optimistic outlook, the reality quickly showed us that the economy has receded into a slow stumble, with the COVID-19 pandemic then added to the mix, to render a perfect storm. The journey to recovery will be a hard climb for businesses across South Africa.

Despite this, Sassda has seen this as an opportunity to re-evaluate and reinvent some of our offerings.

## MEMBER SENTIMENT

We conduct regular member surveys and these indicate that our industry has once again contracted by more than 15% in volume year on year. Member confidence started to improve to slightly above 50% at the start of 2020 only to collapse again to 25% after the lockdown was announced.

Our latest survey shows a confidence level that has increased to 38%. This serves as a sober reminder of the current state of industry. While this low figure can

be attributed to a fair degree of kneejerk reaction, it still serves as a sober reminder of the current state of our industry.

However, knowing how resilient our industry is, we firmly believe that this confidence figure will start to improve as soon as the sector finds some rhythm again.

## REBUILDING THE INDUSTRY

Sassda also embarked on the road of a new funding model in 2019 with its implementation in 2020. The timing of this could not have been worse.

The Board has therefore decided to offer members an immediate 33.3% discount on membership fees for 2020/21.

(See full article on next page).

Sassda hopes that this will give enough financial relief to members.

## A NEW WAY OF LEARNING

Sassda also realised that the old way of delivering our products and services will not be effective in the current environment and will most probably soon be obsolete. With that in mind, our current Fundamentals Course has been redeveloped to allow for a new online format with a series of easy to digest webinars. Sassda is running free webinars on Wednesday afternoons between 15h00 and 16h00. Recorded webinars will be available on the website.

Overall we'd like attendees to use these sessions as a marketing opportunity for their organisation and encourage your sales team to invite customers and non-members to these events. All that is required is an internet connection and an email address and we urge you to make use of this opportunity to tap into Sassda's wealth of technical knowledge and advice.

The initial webinars will be live, but as we hone our skills, they will be developed into properly recorded

sessions available to our members.

We are currently redoing our Fundamentals course to be an online product available all over the globe.

## AN UNSHACKLED SECTOR

In terms of lobbying on behalf of our members during the lockdown, Sassda has worked intensively with government and continues to do so. Our industry sector was one of the first to be allowed to operate at 50% workforce levels and is well prepared to handle the risks that exist due to the pandemic. Looking ahead, our focus will now shift from COVID-19 related issues to securing opportunities for the stainless steel industry. We are currently strongly involved with the Department of Trade, Industry and Competition's Steel Master Plan. We are committed to this process with a firm belief that we will be able to unshackle the real capacity of our sector.

So, whether it's helping members with specific queries on relief packages or the interpretation of government regulations, we are determined to help you navigate this exceptionally difficult time in our country's history.

With that in mind, we trust that you will remain safe and that no matter what

happens, we'll be with you every step of the way!

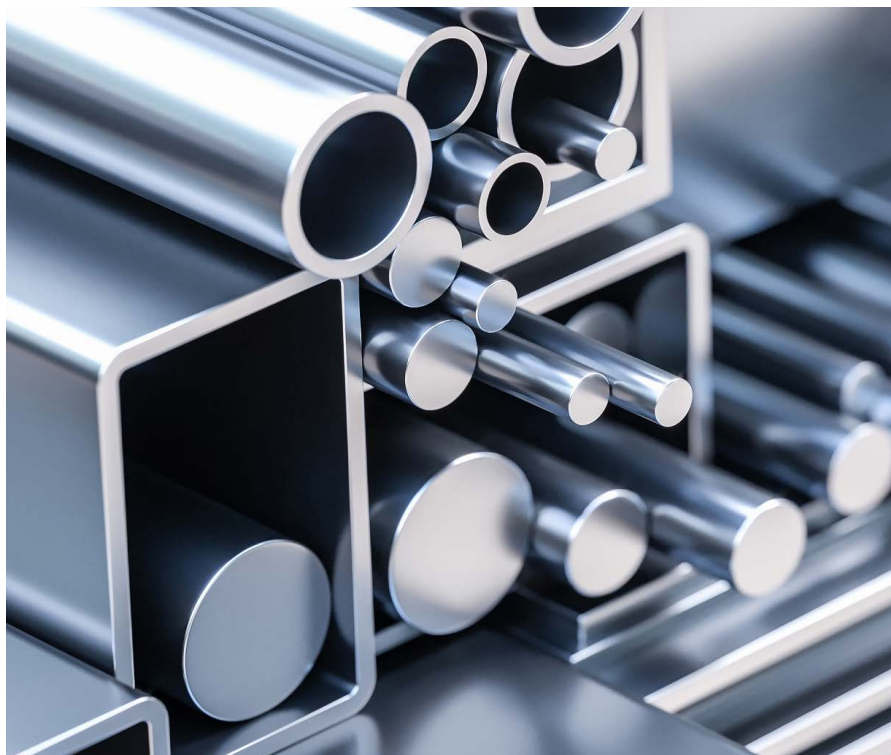
Stay safe & warm.

Kind regards  
Michel

It is a recognised fact that mentorship is required to bring the younger generation to a world class level of professionalism and performance.

Sassda is therefore compiling a database of retired stainless steel specialists who will assist Sassda's membership and industry in general, with technical and other operational issues.

If you are a willing and able retired specialist please contact [mankabe@sassda.co.za](mailto:mankabe@sassda.co.za) for more information on this endeavour.



## SASSDA OFFERS ITS MEMBERS AN IMMEDIATE 33.3% DISCOUNT

The world is pivoting on an axis of uncertainty right now as many countries, including our own, grapple with the realities of the worst economic meltdown since the Great Depression.

Within that context, the South African stainless steel sector is at a crossroads as it faces large scale retrenchments and in certain dire cases complete closure. As a 56 year old association, Sassa is highly aware of these challenges but remains steadfast in its belief that the collective power of a united industry body must prevail and sustain the industry during this difficult time.

The Sassa Board has therefore decided to offer members an immediate 33.3% discount on membership fees for 2020/21. Sassa hopes that this will allow your organisation enough financial relief to remain a member with continued access to the quantifiable

added value we are proud to offer your business.

The table below gives a broad overview of the new membership tiers. There are two main categories of membership: **Precious Metals**; the suppliers of primary stainless steel products into the market and **Precious Stones**; the converters of primary product to finished products as well as non-stainless steel suppliers into the industry. The sub-categories in the case of the Precious Metals Members is determined by whether a member is a local mill or distributor and whether the distributor is regional or national. The sub-categories of the Precious Stone Members are determined by the total number of employees involved with the stainless steel side of the business.











Except for the standard benefits, we will continue to lobby for government support, rapidly advance our world-class digital training and assist our

members with in-depth technical consultations and expertise.

We trust that these added-value offerings and the 33.3% membership fee discount, will see us retaining our core member base. This will allow our local industry to continue to benefit from the strength of our collective. It will also ensure that Sassa remains the 'voice of the stainless steel industry' in the market - something we have championed since 1964.

To find out more about Sassa's 33.3% member discount or other aspects of your 2020 membership package, please email [michel@sassa.co.za](mailto:michel@sassa.co.za) to set up a virtual meeting to discuss your membership options in more detail.

### MEMBERSHIP OPTIONS

	CATEGORY	DESCRIPTION	ANNUAL MEMBERSHIP	TANGIBLE VALUE	INTRINSIC VALUE	TOTAL BENEFIT
PRIMARY	 PLATINUM	Local mill	R1 500 000	R263 440	R27 960 593	R28 224 033
	 RUTHENIUM	Foreign Flat & Long Primary Producers	R200 000	R95 085	R6 251 701	R6 346 786
	 GOLD	National distributors	R200 000	R95 085	R6 251 701	R6 346 786
	 SILVER	Multiregional distributors	R96 000	R51 835	R1 095 968	R1 147 803
	 BRONZE	Regional distributors	R48 000	R40 285	R252 321	R292 606
CONVERTERS AND SUPPLIERS	 DIAMOND	>100 employees	R36 000	R35 635	R450 068	R485 703
	 RUBY	41-100 employees	R24 000	R22 935	R323 429	R346 364
	 SAPPHIRE	10-40 employees	R12 000	R17 285	R74 030	R91 315
	 EMERALD	<10 employees	R6 000	R11 635	R27 441	R39 076
	 AMETHYST	End-users	R1 800			



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these are some of the reasons we call it the only man-made noble metal.

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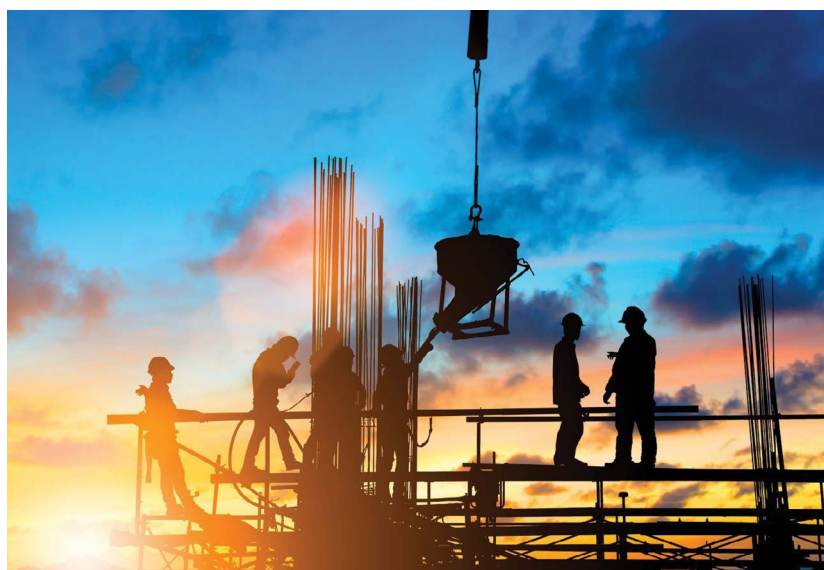


In the age of COVID-19 information is power. For that reason, our monthly GPS eNewsletter packages articles that provide market intelligence from across the globe. This issue of the magazine features a highlight package of the best of the articles from this year. So read on, gather your thoughts, and plan your next move as you reboot and reinvent your business strategy for the challenging path ahead.

## **INFRASTRUCTURE PROJECTS HOLD EXCELLENT POTENTIAL FOR STAINLESS STEEL**

South Africa has received “firm commitment” running into billions of Rands for some of the 276 infrastructure projects presented to investors around the globe in the past five months. Speaking at the inaugural Sustainable Infrastructure Development Symposium of South Africa, President Cyril Ramaphosa said: “Like many other advanced and emerging countries around the world, South Africa is looking at infrastructure as a springboard to recover from the economic slump caused by the COVID-19 virus.”

[CLICK HERE TO READ MORE](#)





### **SOUTH AFRICA BANS SCRAP METAL EXPORTS FOR TWO MONTHS**

South Africa's government has banned all exports of ferrous and non-ferrous scrap metal for two months to safeguard domestic supply while it considers measures to support the domestic industry.

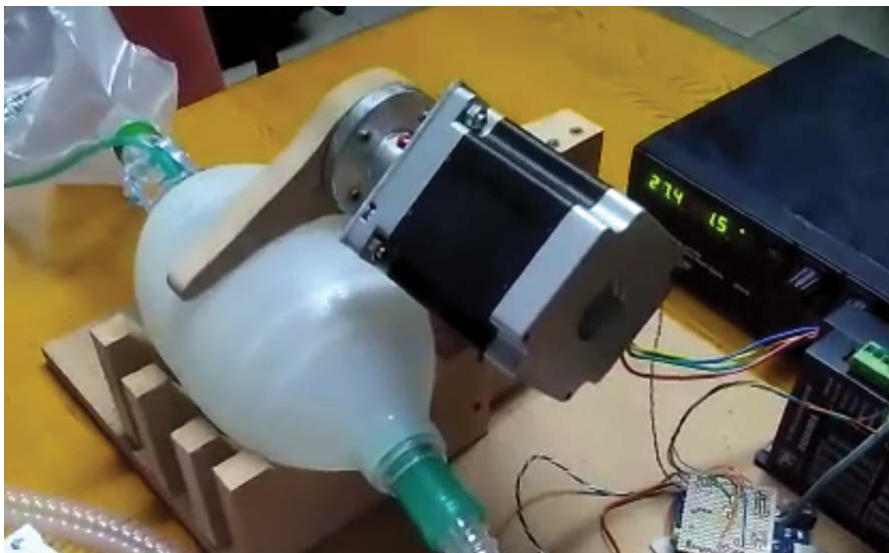
[CLICK HERE TO READ MORE](#)

### **SOUTH AFRICAN STAINLESS STEEL DRIVES AFRICAN MINING PROJECT**

Ten large stainless steel tanks for diversified miner RioZim's Cam and Motor gold mine, in Zimbabwe, are on schedule to be installed by South African stainless steel fabrication and erection specialist Betterect, as part of the mine's gold processing plant expansion. Columbus Stainless supplied 250 t of grade 2304 duplex steel for the tank fabrication project.



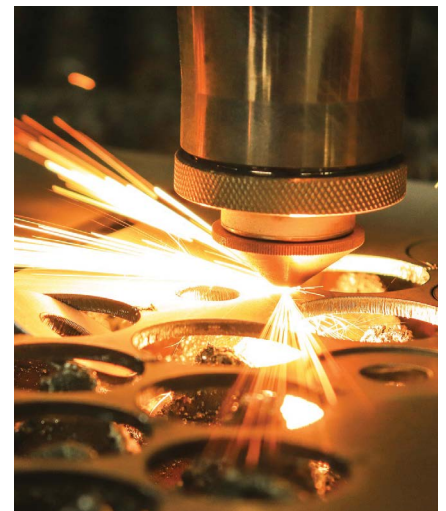
[CLICK HERE TO READ MORE](#)



### **SA MANUFACTURING INNOVATION AT ITS BEST**

Production has begun on three South African non-invasive respiratory ventilator designs. This is not just good news for hospitals and patients, but also for local manufacturing, as it provides a useful template for other sectors seeking to pivot and prosper despite the current economic downturn.

[CLICK HERE TO READ MORE](#) OR [CLICK HERE TO VIEW YOU TUBE VIDEO](#)



### **ROUNDTABLE DISCUSSION ON THE EFFECT OF COVID-19 ON THE LOCAL STEEL SECTOR**

Business Day Television recently hosted a fascinating round table discussion on the impact of COVID-19 on the steel sector (including stainless steel).

[CLICK HERE TO WATCH THE FULL PROGRAMME](#)

## STAINLESS STEEL CAN HELP FIX INFRASTRUCTURE “LEAKS”



Clean water is a basic human right, but the arrival of the global COVID-19 pandemic has highlighted the fact that only 1 in 3 (20 million) people in South Africa have access to safe or reliable water supplies.

The current urgency for a sustainable South African water supply has therefore highlighted the importance of the **National Water and Sanitation Master Plan (NW&SMP)** which was launched in November 2019. The significance of this plan is that it creates huge potential for stainless steel to play a major role in the country’s longer term water provision strategy.

The urgent need for this type of solution is clear as currently, more than one-third of available water in South Africa is lost due to leaking pipes, ageing and broken infrastructure. Short term maintenance and supply fixes have also created further setbacks with an estimated 70% to 80% of regional diseases attributed to poor water quality.

The NW&SMP intends spending R898-billion over the next 10 years to improve water-supply and storage infrastructure. Vitally, it seeks to address 56% of over 1 150 municipal waste water treatment works and 44% of the 962 water treatment works that are currently in poor or critical condition.

### TECHNOLOGY FOR SUCCESS

Matching international standards in steel applications, 3CR12 is a chromium-containing corrosion-resistant steel used extensively in water distribution environments. Five factors need to be considered when selecting 3CR12 for aqueous service including design, fabrication; aeration and flow rates; suspended solids; scaling and fouling; and water quality and temperature. For an in-depth look at the best use of 3CR12 see Columbus Steel’s application guidelines here.

<https://sassda.co.za/summary-of-guidelines-for-the-use-of-3cr12-in-water/>

## SUSTAINABLE SOLUTIONS

To achieve this, the plan is based on five key objectives that define a 'new normal' for water and sanitation management in South Africa. The good news is that there are a range of stainless steel solutions that can play a key role in each aspect:

### #1 RESILIENT AND FIT-FOR-USE WATER SUPPLY

The durability of stainless steel versus the short-term solution of HDPE (High Density Polyethylene) and PVC (Plastic Water Piping) and related inferior imports, offer benefits in improved hygiene and reduced maintenance. It also renders water savings due to reduced leakages and reduced cost of infrastructure repair. International case studies from Tokyo, Seoul, and Taipei show that plastic service pipes (PE or PVC) have an average service life of 20 years, while stainless steel service pipes can expect a minimum lifespan of 60 years.

Stainless steel water service pipes and tanks are light weight, flexible in application and require fewer connections and fittings compared to traditional plumbing. It is also less susceptible to extreme temperature fluctuations and

corrosive environments. In addition, water management authorities have recorded far lower lifecycle costs if the correct stainless steel grade has been specified for a specific environment.

For example, both grades 316 and 304 have an average lifecycle of 100 years if applied correctly. Soils high in chlorides or sulphurous compounds would require 316, while in more benign corrosive environments, 304 is more than adequate.

### #2 EQUITABLE SHARING AND ALLOCATION OF WATER RESOURCES

Historically, a key concern in the industry was that many of the imported products did not comply with the same quality standards as local products. In other cases, end-users have had no choice but to import since no local supply is available. This mainly applies to specialised equipment such as directional valves, flow regulators and control equipment.

However, the local stainless steel industry now has the capacity to supply stainless steel water related products to international standards following the introduction of a new SABS standard for flexible corrugated stainless steel tubing. This has been achieved after years of rigorous testing driven largely by Sassa members Easyflex and Inox Systems. The standard stipulates the exact composition of the stainless steel to be used, specifications on flow rates and involved comprehensive testing – i.e. pressure, vibration, and oscillation.

Three sizes of locally produced flexible stainless steel tubing are available namely a 15mm Outer Diameter (OD) flexible connector, a Medium 18mm OD pipe and a Large 25mm OD tube.

### #3 EFFECTIVE INFRASTRUCTURE MANAGEMENT, OPERATION AND MAINTENANCE

Municipalities are responsible for service provision including water and sanitation services. Many struggle to carry out their mandates with up to 40% of Johannesburg's drinkable water going unaccounted for annually, costing the city R1.16bn in the financial year, with about R851m of water lost to leaks.

Ninety five percent of leaking, treated water occurs in the small diameter service pipes that connect distribution pipes to users' water meters. New infrastructure projects should therefore look to stainless steel's proven corrugated joints which prevent leakage and are backed up with leak detection monitoring systems.

### #4 REDUCTION IN FUTURE WATER DEMAND

Stainless steel piping offers a clear case of cost savings, both on the process of treatment of water and water that is lost through leakage. Stopping the waste of drinkable water means that municipalities will be more financially effective when it comes to water supply.

### #5 DEVELOP AND IMPLEMENT A LONG-TERM PLAN FOR THE TURNAROUND OF WATER SUPPLY AND SANITATION SERVICES IN THE COUNTRY

The benefit of stainless steel in this application is in its unique thin wall design. This results in a durable light weight tube, making it a cost effective replacement for traditional materials such as copper. It also has a far lower risk of theft compared to copper due to the low scrap value and the additional cost benefit of reduced maintenance. All in all, stainless steel outperforms competitor materials in terms of a long service life cycle costing.





## LOCAL SUPPLIERS NEED A LONG TERM STRATEGY

**T**he increased use of stainless steel in water and hygiene related applications may represent a much needed lifeline for certain local players amidst the current unprecedented economic storm.

According to Sassda Acting Executive Director **Michel Basson** the implementation costs of stainless steel (traditionally viewed as expensive) could also be a cost-saving opportunity, where the initial cost outlay would be recouped through the savings gained in reduced maintenance and replacement costs. Life cycle costing is the key value that stainless steel brings.

“The return on investment and total project costs could be built into the financing structure and provide a compelling initiative for South Africa’s water distribution services. Unfortunately, the reality is that most of the current water-related maintenance work involves short-term and low cost repairs to municipal water infrastructure. However, there are increasing examples of a more sustainable long term approach to the use of stainless steel,” says Basson.

### LOCAL SUCCESS STORY

One of the most successful of these is the Drakenstein Municipality in the Western Cape, that has converted to the use of stainless steel in all its water treatment and bulk conveyancing applications. It currently has a water loss figure of less than 13% versus other municipalities average water loss of 39%. This is not an overnight success story, but rather the strategic replacement of critical components with stainless steel over a period of more than a decade.

Other sectors that hold potential for the use of flexible tubing fall within the solar (heat exchangers) and the construction industry when it is specified by developers and contractors such as plumbers and architects. For example, Sassda member, Easyflex, has developed a Proudly South African stainless steel Adaptor Kit which offers a standard, off-the-shelf plumbing fitting for its corrugated stainless steel tubing. This can be supplied to low cost housing developments and heat exchanger manufacturers for use in hospitals, commercial and residential units. It can also be safely used for gas and electrical conduits.

### SOUTH AFRICAN EXPERTISE

Looking to the future Basson says; “We have the local ability and the technology available to manufacture the specified stainless steel pipes. This could be a coup for the manufacturing industry in South Africa, both at an incubator level for start-up businesses and as a commercial enterprise.

“If our municipalities are already investing heavily in leakage repairs and replacement piping, it makes sense to replace outdated pipe systems with stainless steel.”

As such, a resilient and planned local response must focus on efficient, cost-effective, and sustainable future water management systems. The good news is that this type of approach also paves the way for the increased use of stainless steel in securing our country’s water supply and providing a much needed growth sector for local producers and fabricators.

## AFRICA'S LARGEST OIL & GAS PROJECT REPRESENTS A GOLDEN OPPORTUNITY FOR SA STAINLESS STEEL

**N**ews that construction of the \$128-Billion Mozambique LNG Gas project is ramping up represents an excellent opportunity for the South African stainless steel industry to partner with Mozambican companies.

Despite a flair up of insurgency activity in the north of the country, the project remains feasible, given that analysts expect global gas demand to rise from 319 metric tons per year in 2018 to 632 metric tons per year by 2040. An additional benefit is that the gas supplied will be of high quality, require less refining and therefore be cheaper to produce than other areas of the world.

### A GAME CHANGER

To keep our members fully informed on this massive project, Sassda attended an [Africa House](#) briefing prior to the COVID-19 lockdown where Development Director Roelof van Tonder described the project as a 'game-changer'.

"There are immense opportunities for South African companies that can benefit from the sheer volume of work already underway in our northern neighbour. However, the scale of these projects requires proper planning and long-term strategic response to ensure maximum benefit from the numerous contracts that will arise."

### OPPORTUNITIES ABOUND

Standard Bank Head of Oil & Gas Paul Eardley-Taylor provided additional insight on the opportunities that



abound for South African companies in a recent [Daily Maverick](#) article. "A \$128-billion Capex-spend over a decade is a significant opportunity for South African business to supply the projects (and associated investments) physically.

"South Africa could export goods and services to Mozambique, and investors could form companies in partnership with Mozambique nationals. There will also be opportunities for South African human capital working on the LNG projects and other domestic gas investments as employees, contractors, manufacturers, service providers and consultants.

"Mozambique's limited infrastructure to handle projects of this scale will also see new ports, roads, electricity

and water infrastructure and the need to construct far more hospitals, schools and shopping centres," Eardley-Taylor reported.

He added that Standard Bank has committed to finance part of the Mozambique LNG Anadarko project (which has been acquired by French petrochemical giant Total) and also plans to finance part of the ExxonMobil project announced towards the end of 2019.

"This could then see South Africa's Export Credit Insurance Corporation, a dti subsidiary, underwriting part of this investment which could secure market access for SA companies of over \$500-million. And the same could apply if SA companies are involved in Rovuma LNG," he concluded.

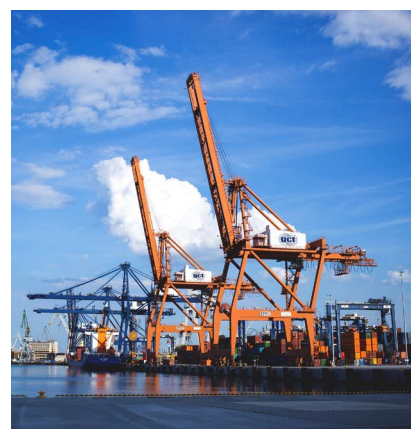


The list of projects that fall under the overall Mozambique Gas development include:

**CORAL FLOATING LIQUID NATURAL GAS (FLNG) PROJECT** - The world's first ultra-deep-water FLNG facility is expected to produce its first gas in 2022. A floating LNG plant is a ship on which LNG is produced and stored. The Coral FLNG has announced it has successfully installed the first topside power generation module onboard the hull of the FLNG. Coral-Sul FLNG, the first deep-sea floating natural gas liquefaction plant in the world, is set to produce approximately 3.4-million tons of liquefied gas per year. It will extract natural gas from a depth of around 2 000 meters in Area 4 of the Rovuma Basin. Despite the adverse effects of the COVID-19 pandemic on world markets, the partners in Area 4 of the Rovuma Basin, Cabo Delgado, have reaffirmed their projections to start natural gas production in 2022.

**MOZAMBIQUE LNG ON AND OFFSHORE (TOTAL COMPLETED THE ACQUISITION OF ANDARKO'S 26.5% STAKE IN THIS PROJECT AT THE END OF SEPTEMBER 2019) -**

The location for the development of integrated offshore and onshore gas fields is in the Rovuma basin, east of Palma. It will be fully commissioned by 2024 and produce 12.9 MTPA. The project is one of the most extensive greenfield LNG facilities to have ever been approved. It involves building infrastructure to extract gas from a field offshore northern Mozambique, pump it onshore and liquefy it, ready for further export by LNG tankers. The impact of this project alone, on the economy of Mozambique, will be immense with a



projected surge in the country's current GDP from 2.7% in 2019 to 10.2% by 2024.

### ROVUMA LNG ON AND OFFSHORE ACTIVITIES AS DESCRIBED ABOVE

- Led by ExxonMobil and ENI this portion of the project will be fully commissioned 2025 and produce a whopping 15.2 MTPA. The Rovuma LNG project alone can boost GDP by between \$15-billion and \$18-billion per annum and contribute \$5-billion annually to the fiscus and create 323,000 employment opportunities.

***UPDATE!** Egypt's Petrojet has been tasked with manufacturing and supplying deep-water equipment for Mozambique's LNG project totalling 700 tons of equipment, including well-jumpers' equipment. Baker Hughes will install Petrojet's instrumentation in the Indian Ocean's deep-water, around 40 kilometres off Mozambique's Cabo Delgado province.*

**UNITISED 'TRAINS'** - By 2024 Mozambique should have four onshore LNG trains operational and 1 FLNG ship, with an additional four onshore LNG trains expected to be operational by 2029/30 – this will trigger a second wave of Domgas projects. An LNG train is a liquefied natural gas plant's liquefaction and purification facility. The volume of gas volume has to be significantly reduced for the viable transport of natural gas from one country to another. To do this, the gas must be liquefied by refrigeration to less than -161 °C and austenitic stainless steel are extremely suited for this application

**DOMGAS PROJECTS** – Proposed projects include Gas to Liquids processing, Fertiliser manufacturing, Independent Power Projects, LNG Bunkering, small scale LNG production, and Methanol to olefins.

**RICHARDS BAY LNG TENDER** – Closer to home, Transnet has also announced plans to launch a tender in 2020 for South Africa's first terminal to import LNG at Richard's Bay port, with the first gas expected to land in 2024. South Africa is pushing to diversify its energy sources away from coal, which supplies more than 90% of its electricity and to expand capacity to reduce power



cuts that have halted the growth of the South African economy.

Transnet, which operates gas pipelines, railway lines and ports in South Africa, will lead the project after the World Bank's International Finance Corporation pledged \$2 million to help finalise the design, construction, and operations. The project requires re-purposing existing pipelines to transport gas between Durban and Johannesburg.

Transnet voiced plans to call for quotations by as early as the second or third quarter of this year. Transnet is looking to secure new gas supplies at

Sasol, which pumps the bulk of South Africa's gas needs from Mozambique, to avoid supply constraints with two Mozambiquan fields, Temane and Pande maturing by 2023.

To find out more e-mail [lesley@sassda.co.za](mailto:lesley@sassda.co.za) and visit the following websites for additional reading: <http://www.mzlng.com/Opportunities/Suppliers>

## THE ROLE OF LOCAL STAINLESS STEEL IN A POST COVID-19 ECONOMY

The South African stainless steel sector is currently experiencing one of the fiercest economic storms it has ever faced; made even more challenging by the COVID-19 pandemic and South Africa's hard lockdown.

Evidence of the effect of this onslaught was the downgraded sentiment in Sassa's monthly Short Track Survey in April 2020. This index measures the industry's outlook on various aspects of its operation, efficiency, and general sentiment. The survey's overall Expectation Index dropped to its lowest level since its inception, in the middle of one of the most stringent lockdowns in the world.

Fortunately, once the industry lockdown began to ease, and the industry was allowed to reopen, the latest survey May 2020 revealed

a rebound with an increase in expectations. The hope is that this will continue as economic activities resume.

A critical initiative which could allow this to happen is the Steel Master Plan initiated by the Department of Trade Industry & Competition (dtic) in July 2019. Given that one of Sassa's key mandates is to serve as the official voice of the stainless steel industry; the association has worked tirelessly with the dtic on the plan. This work aims to alleviate the pressures the South African stainless steel sector currently faces by stimulating local demand, championing local procurement, and reducing the import of finished products, where domestic supply exists.

To achieve these goals, Sassa has identified value chain sector opportunities that have the potential to broaden the industry's skill base and

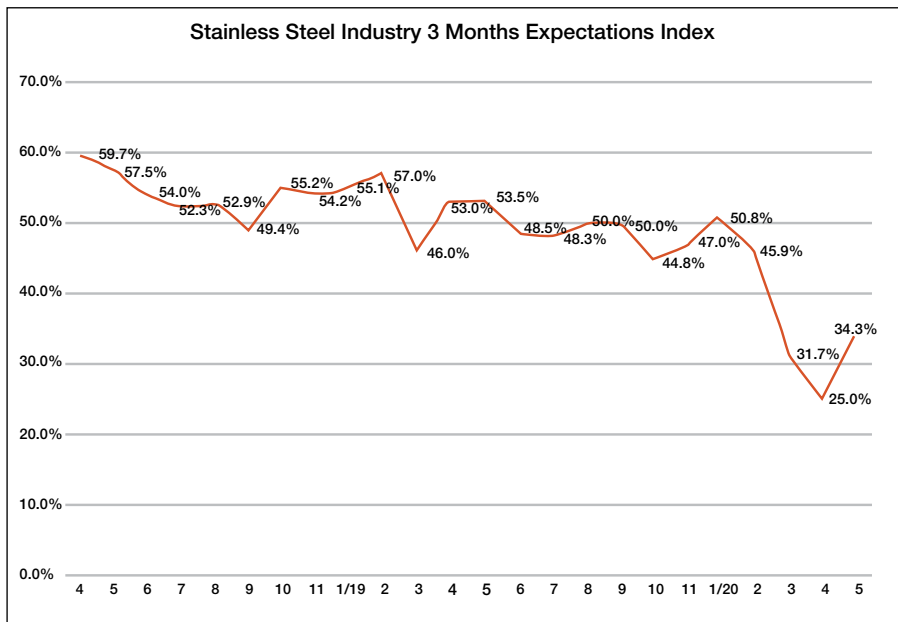


foster an empowered business model for sector stakeholders committed to economic growth in South Africa.

### TARIFF OVERHAUL

The dtic has instituted key interventions. These include key trade support measures:

- An increase in the general rate of customs duty on primary steel products to 10%
- Safeguard measures on hot-rolled coil and plate products



- Tariff increases on a range of downstream products to the maximum bound rates allowed
- Trade remedies such as the [Africa Continental Free Trade Area](#)
- Rebates where products are not manufactured locally or additional value-added, before export
- SARS has introduced a reference price system for steel products to address low priced imports and illegal trade

New measures for government procurement will also see benefits in the use of locally produced primary steel. Steel-intensive products will be designated under PPPFA Rail Infrastructure; Rail Rolling Stock; Steel Products; Powerlines; Pipes and Pipe

Fittings; Valves; Pumps and Vessels.

In the second half of 2019, the Steel Master Plan saw additional measures implemented including:

- Amendments to the Steel Fund criteria to improve accessibility and reduce the cost of lending
- Additional designations approved by the National Treasury in January 2020 to support the job intensive downstream sectors
- An export tax on scrap metal to be amended by September 2020

### REVIVING LOCAL SECTORS

Amidst the current stringent efforts to restart the economy the Steel Master Plan aims to develop local capabilities and create regional competitiveness.

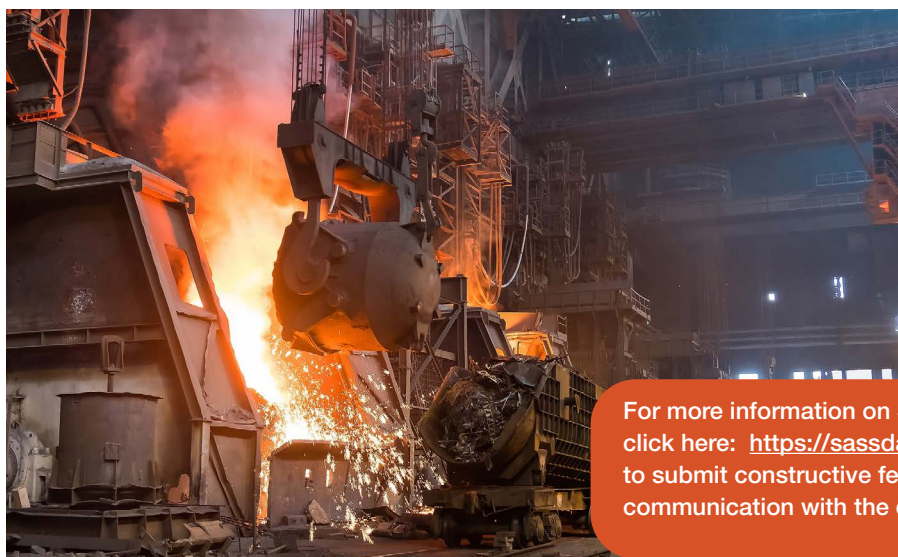
Sassda Market Intelligence and Exports Manager **Lesley Squires** reports: “Trade in finished goods is a vital focus of the plan as it is central to real opportunity growth for the country. This stimulus effect would be achieved via import replacement and export promotion, to provide substantial volume in value-added steel imports and export trade.”

To achieve this, three specific areas have been identified by Sassda as presenting excellent local growth potential, namely the Holloware Sector and two key product markets as that of Gas Cylinders and Beer Kegs.

- Within the Holloware Sector, finished imports currently average at around 10,000 tons per annum, with capability for all products to be locally manufactured.
- All the gas cylinders used in South Africa are currently imported, yet the local stainless steel industry can manufacture these locally. While initial manufacturing levels would only meet a portion of the total imports (currently in carbon steel) research has identified the potential for their use within the leisure market and the medical and hospitality industries.
- Similarly, 100% of the beer kegs used in South Africa are currently imported, but once again, the local industry can manufacture stainless steel beer kegs.

Squires reports that in line with the above, Sassda has submitted proposals on three identified projects to the Steel Master Plan team and once approved, is ready to move forward with the pilot project rollouts.

She adds: “By empowering the development of the stainless steel conversion sector, the Steel Master Plan will engender local competitiveness on the continent. As a vital conduit between government and the local stainless steel industry, Sassda is committed to boosting businesses on the continent within the broader scope of the dtic’s Steel Master Plan.”



For more information on Sassda’s work on the Steel Master Plan click here: <https://sassda.co.za/master-steel-plan/> or if you’d like to submit constructive feedback or ideas for Sassda’s ongoing communication with the dtic, please email: [lesley@sassda.co.za](mailto:lesley@sassda.co.za)



## ONLINE LEARNING FOR STAINLESS STEEL INDUSTRY GOES LIVE

Following COVID-19's 'business interrupted' start to 2020, the globe has seen a swift adaptation of training strategies geared around safer, more accessible digital platforms.

As a significant source of education and training in the South African stainless steel industry, Sassda has been proactive in using technology for online learning. This approach has ensured that stainless steel awareness and training can continue within current regulations and with the added benefits

to students of not having to travel to training venues while saving time and costs.

We caught up with the Sassda Training Team to learn more:

### **#1 WHAT IS THE PHILOSOPHY AND APPROACH BEHIND SASSDA'S SHIFT TO ONLINE LEARNING?**

In keeping with the 4th Industrial Revolution (4IR), Sassda had already identified the benefits of technology for distance learning, especially for our

members located far from major centres and outside of South Africa's borders. The arrival of the COVID-19 virus accelerated this approach and we are proud to say that it is now possible to continue all our standard training and educational services via technology. In some ways, this has made the Sassda training events so accessible that we are now running weekly webinars to international audiences.

Sassda staff have been pivotal in bringing their expertise into the

classroom during this time, and in future, specialist members of the association will contribute to these sessions. Sassda is also in the process of setting up a network of retired members and industry stalwarts who will be available to assist members with technical and other stainless steel related issues. This initiative will ensure that the institutional memory and knowledge built over decades is shared on a broader platform to the benefit of the stainless steel industry.

## **#2 HOW WILL YOU USE DIGITAL PLATFORM TECHNOLOGY?**

During the pandemic, a range of excellent digital platforms for this type of communication saw the light. Currently, Sassda makes use of the Microsoft Teams platform with good effect. As a progressive thinking organisation, we are continually looking at ways to enhance the quality and accessibility of our training events.

## **#3 WHICH COURSES ARE PART OF THE ONLINE OFFERING?**

Currently, there is a continuous series of Wednesday webinars “60 Minutes in Stainless Steel”. The events are open and free, to stimulate demand for these sessions. From the attendance records and feedback from attendees, there is enough data to develop this webinar series into real value adding experiences. The first series of work sessions are aimed at salespeople. As demand grows for specific information, the webinars will be extended to cover sessions for architects, fabricators, buyers, purchasers, warehouse and stores staff and ultimately the end-users. Each webinar is designed to make the information easy to understand and enabling participants to use this knowledge to add significant value to their daily business activities.

## **#4 WILL THE WEBINARS REPLACE SASSDA'S EXISTING DESK BOUND COURSES, OR WILL WE SEE A BLENDED APPROACH ONCE PHYSICAL CLASSES ARE POSSIBLE?**

Our current webinar series titled “60 Minutes in Stainless Steel” is fundamental in nature and targeted towards practical work applications

and experience needed to fulfil work functions. This will not replace our existing educational courses, and in fact, they are quite different. This is aimed at awareness, information, and the general education of staff. It can also be a marketing opportunity for members when they invite customers to share in the stainless steel conversation.

## **#5 OVERALL, WHAT DO YOU HOPE TO ACHIEVE WITH THE WEBINAR SERIES?**

Apart from the online learning opportunity offered by Sassda, it is hoped that through the “60 Minutes in Stainless Steel” series we will also have an opportunity to interact with members in the absence of physical meetings. The interactive nature of the webinars will continue to build relationships with current members and attract new members. It would seem that the webinars are proving to be a positive platform to share knowledge, hear opinions and ask questions.

## **#6 WHAT IS THE TIMETABLE FOR THESE COURSES AND WHEN WILL THEY START ROLLING OUT?**

Sassda started with the concept of webinars a few years ago. At that stage the functionality of digital platforms was not understood and valued. As such, we did not see a more significant uptake on digital events compared to regular events. This has now changed, and the current Webinar series is highly popular and will continue weekly on Wednesdays at 15h00 CAT.

However, to publish a medium to longer term list of topics for discussion will be counterproductive to the real flexibility of our programs. Members involved with our Technical and Training sub-committee will analyse market requirement and session feedback to determine the most relevant topics for future webinars. This will ensure that our content remains relevant, is aligned with industry requirements and packaged in the most value adding format. All events are advertised in



advance through emailers and social media. Latest information will always be on our website and we appreciate any comments and suggestions aimed at improving the product and its value.

## **#7 ASIDE FROM TECHNICAL TRAINING ON STAINLESS STEEL, WHAT ELSE WILL BE DISCUSSED IN THE WEEKLY SESSIONS?**

Sassda is in essence a source of technical information, but we have realised that members need to be more than technically competent to grow the local industry. We therefore aim to break the technical sessions with more business related content. Since the beginning of the year Sassda has hosted a series of webinars with Bureau Veritas regarding export readiness and business compliance for the international market. This type of non-technical presentations will continue as part of the weekly “60 Minutes in Stainless Steel” series. Some of the events that we are currently working on are market related sessions in conjunction with South African embassies across the world. This will give members insight into potential international markets. We have also hosted information sessions with government departments such as the dtic and this will also continue as the Steel Master Plan unfolds.

Join the conversation and book your seat in the next Sassda “60 Minutes with Stainless Steel” webinar series by clicking here <https://sassda.co.za/60-minutes-with-stainless-steel-series-webinars/>

## DAVE ROWLANDS (1936-2020)



The sad passing of industry stalwart Dave Rowlands in April 2020 brings to an end yet another sterling chapter in the history of the South African stainless steel sector.

In 1976 Dave was appointed as the first executive director of the Heavy Fabricators Association (HFA). He broke new ground in a sector where quality management standards were not considered good enough for major specifiers to give work to local industry.

One of his significant achievements was the implementation of quality management systems throughout the sector, thereby boosting its competitiveness. The HFA also initiated the inclusion of the Stainless Steel Sheet and Plate Index in Seifsa bulletins and published a national coding system for stainless steel materials.

Rowlands served as Sassda Executive Director from 1980 to 1985, and during that time developed a ground-breaking educational tool for the industry, the Information Series, which was first published in 1992.

Dave's work on the information series was a significant shift in the emphasis on stainless steel training for local industry and it has since been adopted as the basis for educational programmes in various countries. Sassda subsequently took over the publication of this invaluable industry from Middleburg Steel and Alloys (MS&A) and the source material was localised.

Dave's passion became the compilation, presentation and updating of the Information Series and he did this with great attention to detail. He made sure to have samples available to demonstrate principles and this included a stainless steel sink which had pitted from hairdresser's bleach! It's probably in this capacity that Dave is remembered by many in the stainless steel industry across South Africa.

Personally, a long-standing love of Dave was the sea and together with his brother in law they built a 14 meter ketch-rigged yacht and in 1985 he resigned and sailed around the world.

On his return, he went to work for MS&A and when it was sold, he took early retirement and was retained as a Technical Consultant to Sassda, a post he held for many years.

# TONY BAGNALL

## (1945-2020)

**A**nthony Willard Bagnall born, 12 August 1945 passed away on Saturday, 04 July 2020 at the age of 75. A Yorkshireman by birth, Tony arrived in South Africa in 1972. On completion of his schooling, he joined a Sheffield Mill chemical laboratory before embarking on full-time metallurgical studies. Upon qualifying, he moved on to what had been Samuel Fox and was now part of the nationalised British Steel.

In the late 1960's, he returned to Aston University taking a course in industrial metallurgy and management techniques. Having completed the course, he realised that the UK was entering a depression and he and his wife decided to emigrate to South Africa. Upon arrival he joined Union Steel in Vereeniging.

Hearing about Tony, Dave Walker invited him to join Southern Cross as Melt Shop Metallurgist and he accepted the post in September 1974, explaining that it was the chance to work on the Argon Oxygen Decarburization( AOD) that was the big attraction for him as well as the growth prospects of the company (Source: The Chrome Connection)

During his tenure at Southern Cross, which later became Middelburg Steel and Alloys (MS&A), he held various positions, amongst them Operations Manager of the Steel division. In 1991 MS&A was sold and Tony was named chairman of the subsidiary company Thomas Begbies while remaining Technical General Manager of the Columbus Joint Venture and later Columbus Stainless. He played a crucial role in leading Thomas Begbies to a profitable position and then selling off the business.

Tony had a wealth of information and contributed to all aspects of the business from raw material inputs to market development of stainless products including 3CR12. He retired from the stainless steel sector in 2003 after 29 years. He then spent several years with a carbon steel company in Thailand sharing his vast steelmaking experience to the benefit of the Thai market.

Tony will be remembered for his wisdom, patience and attention to detail by many colleagues who were fortunate to have crossed paths with him in the stainless and carbon steel industry.

His technical knowledge, professional advice and expertise will be sorely missed in the steel industry.



Sassda, Columbus Stainless as well as the entire stainless steel community would like to express heartfelt condolences to his wife Sheila, their children and grandchildren.

Obituary released by Sassda and Columbus Stainless (Pty) Ltd.