

Coega IDZ ready to lead SA Metals Beneficiation

The Coega Development Corporation (CDC) has announced ambitious plans for the expansion of metals beneficiation initiatives and metal sector investments in South Africa over the next decade.



Sadick Davids

The CDC will target bringing R28 billion in local and foreign investments to the IDZ, according to its newly unveiled 2014 - 2024 metals cluster strategy over the next ten years.

An estimated 8,198 direct and 19,853 indirect jobs for the economy can potentially be created, according to CDC projections, and approximately 2,000 hectares, or 20% of the total IDZ land surface, will be dedicated to ferrous and non-ferrous metal industrial activity.

According to Mogamad Sadick Davids, CDC metallurgy business development manager, several metal sector and mineral beneficiation projects are progressing well in the Coega IDZ with a "healthy investment pipeline".

"The manganese smelter, electro-mechanical component manufacturing plant, composite manufacturing and steel manufacturing of rail components will be converted in feasibility study stages during the 2014/2015 financial year [this year] and these projects are valued at R 13.6 billion.

"Several projects worth R1.3 billion are currently in funding stages, and include an iron ore plant, steel rolling mill and steel tube manufacturing plant.

"We have also received letters of intent from investors for a steel manufacturing plant and a manganese smelter collectively valued at R7.8 billion," he said.

Davids also said Agni Steels SA, a high-tech R400 million smelting facility went into pilot production and moving towards full

production, in this year.

"We will intensify investor relation activities and are eager to pursue steel, stainless steel, rolling-mills, manufacturing, ferro-chrome, ferro-nickel and ferro-manganese smelting projects over the next 10 years, he said.

Dauids believes the inbound and outbound value adding logistics infrastructure remains an important strategic enabling support area.

"Partnerships and engagement between government, private sector and the community is crucial to improve South Africa's competitive position as a world-class location for sustainable manufacturing, metal sector investments and mineral beneficiation," Dauids said.

Alexander Tikhomirov, chief representative in Southern Africa, of the Vnesheconombank (Bank for Development and Foreign Economic Affairs) said they were currently "considering one business project with Russian and South African companies with connection to ship building".

"The Coega IDZ is a good location for export, it is internationally recognised and there are foreign investors already. Coega has big potential for development," Tikhomirov said.

According to Dr Ayanda Vilakazi, CDC's head of marketing and communication, metals beneficiation initiatives present one of the rarest opportunities for South Africa to continue sustainable growth of its economy beyond mining.

"Our metals clusters strategy is aligned to Department of Trade and Industry (DTI's) Industrial Policy Action Plan (IPAP) the Beneficiation Bill and government's long term National Development Plan (NDP) that provides focus and clarity for the country's minerals industry to develop mineral value chains and the expansion of beneficiation initiatives in the country," he said.

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