

industry NEWS

PLANS FOR COEGA SMELTER ABANDONED

Rio Tinto-Alcan has finally put on ice plans to build a 720,000 ton a year, R24-billion rand aluminium smelter at Coega near Port Elizabeth due to concerns about security of electricity supply and Eskom's proposed hefty tariff increases.

This is a major disappointment to the government's aspirations to locate heavy industry in Coega. The smelter project would have provided a much-needed anchor tenant for Coega around which many industries would develop. The smelter would have created thousands of jobs in the industrial development zone in Mandela Bay.

In a statement, the Department of Trade and Industry, Eskom, the Industrial Development Corporation (IDC) and Rio Tinto said the supply of electricity to the Coega smelter project was insufficient to proceed.

The parties agreed that it is of utmost importance that a project like the Coega aluminium smelter come on stream when power is reliably available. The government wants now to focus on energy-saving and green technologies such as solar panels and water heating.

The Coega project goes back to 2001, when the government and Eskom were under the illusion that South Africa had plenty of electricity to spare - and that energy-intensive investment was worth pursuing.

In 2006, Eskom signed a 25-year agreement to supply the 1300 MW of power the Coega smelter would ultimately need. And it committed to investing billions of rands to upgrade the transmission lines needed to get the power to Coega. By this time, Eskom's reserve margin was already well below 10% and the national power crisis that struck in January 2008 was in progress.

Eskom is not going to have a surplus of power any time in the foreseeable future, even once it's built the new power stations that are going to cost us fortune over the next few years.

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ILMENITE PROJECT PRAISED

Consulting engineers and project implementation company Hatch has been named winner of Bentley Systems' 2009 'Be Inspired Award' for its work on the QIT Madagascar Minerals Ilmenite mineral sands project.

The Hatch Africa QMM Ilmenite project in Madagascar was recognised in the category of Innovation in Mining and Metals, which recognises both short-term and long-term benefits that arise from extraordinary efficiencies in engineering, construction, and operations of mines and metals-processing and refining plants.

KUMBA SISHEN SOUTH MEGAPROJECT

Hatch South Africa's R2,5-billion part of the R8,462-billion Kumba Sishen South megaproject sees the company responsible for EPCM on the plant and stockyard areas, including design, process development, full engineering, procurement, construction management, and project management.

Hatch project manager for Sishen South Floyd Botha says that the mine will produce 9-million tons of iron ore within months of completion, which is scheduled for H1 2012.