

A brave new world for South African stainless steel manufacturers

 By [Lesley Squires](#)

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Here are some of the 'hot spots' in the local stainless steel sector over the next year...



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1. Africa is still rising!

Mozambique will be a 'hot spot' for the local stainless steel industry to focus on for international exports in 2018 as it will finally see the launch of a liquid natural gas plant between Pemba and Palma in northern Mozambique. This is an offshore project, backed by [Eni](#), which was signed with commitment from the Mozambican government on 1 June 2017.

Another onshore project is being undertaken by [Anadarko](#), where other ancillary projects, including hotels, housing and hospitals, will be developed alongside the project. This also means the ancillary port in Pemba will now start its development plan, which will take just five months to complete from signing. Other top countries to focus on in 2018 in terms of potential for local stainless steel exports are Tanzania, Zambia, Kenya and Madagascar.

2. Solving SA's water woes one stainless steel pipe at a time

Stainless steel has the potential to play a larger role in rectifying SA's current water woes and easing the dire water crisis South Africa finds itself in, during 2018. The potential for stainless steel water supply installations in the municipal area is potentially huge. Globally, as much as 35% of all treated water is lost to leaking piping systems with that figure rising to 41% in South Africa. This has prompted a stainless steel test project to get underway in Paarl between the Southern Africa Stainless Steel Development Association (Sassda), local municipal authorities and South African manufacturers in search of the most environmental and economic solution for the country's water-wise future.

Looking ahead, 2018 will see a renewed focus/ramping up of local production of corrugated stainless steel pipe for both external (service) and internal (domestic) pipes. Manufacturers have had meetings with Johannesburg Water in terms of external usage and they also plan to work more closely with the Institute of Plumbing SA to sell the tube also for domestic applications through retail outlets

3. Against the odds

Despite a slew of dire South African macro-economic indicators, the local stainless steel industry continues to battle on and, in certain instances, even defy expectations. Proof of this is that despite the current crop of tough macro-economic conditions, our latest member-based Short Track survey revealed surprisingly positive sentiment, with 48% of Sassda respondents now having a positive response to the current order situation, which represents the best figure seen since the survey began. After two consecutive years of double digit contraction, we therefore expect the stainless steel sector to stabilise i.e. more-or-less no growth/contraction with the potential for recovery in 2018.

4. Proudly South African pots!

South Africa's hollowware sector (pots, pans, cutlery etc.) has felt the effects of an influx of Chinese imports over the last five/ten years which has all but smothered local production. The good news is that a couple of new local manufacturing concerns will come on line in 2018. The most exciting is Le Morgan which has refurbished a KwaZulu-Natal plant and has already produced 2,500 pots with a view to ramping up production by May 2018, when a range of imported, world-class additional machines arrive in South Africa to beef up its local facility. It's hoped that this will see the reintroduction of proudly South African stainless steel pots pans and cutlery in kitchens across the country.

5. Digital manufacturing

South Africa's local stainless steel industry will continue to incorporate digital innovation into its production processes. This against the backdrop of the Fourth Industrial Revolution phenomenon where a product is no longer enough in and of itself and the realisation that there needs to be something extra. It could be bespoke designs, being a global technology leader in a certain field, having an associated indispensable service attached to the products or allowing for the complete customisation of the product.

A practical local example of this type of innovation is a locally developed world-first technology from Star Weld which has particular relevance for the food and beverage processing sector. Local producer Steve Hutchinson has developed a robotic welding technique which has relevance for wine, dairy and agro processing sectors in particular, and will represent a huge step forward for the local industry in 2018.

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