

RAND/DOLLAR	R7.35 + 1.24%
RAND/EURO	R9.55 + 0.58%
RAND/POUND	R11.39 - 0.15%
GOLD	\$1 183.89 - 1.02%
PLATINUM	\$1 550 + 1.64%

Coega manganese smelter to create almost 400 jobs

IDC expects foreign exchange earnings of R10-billion a year

Patrick Cull

THE ferro-manganese alloy production plant in the Coega Industrial Development Zone (IDZ) will create 370 full-time jobs and between 900 and 1 000 at peak during the construction period.

Building is to start in the first quarter of next year with the aim of being in production by the end of 2012. The project has three parts – the mine, sinter and smelter – the total cost of which is R10-billion.

A study ahead of the green light for the project – in which global steel giant ArcelorMittal has a 50% stake, the Industrial Development Corporation (IDC) 10% and Kalagadi Resources 40% – shows Africa having the “lion’s share” of new ore projects, with the Kalagadi mine in the Northern Cape that will feed the Coega smelter accounting for 58% of new ore capacity in 2013.

It is the biggest investment by the IDC this financial year. It says it will generate foreign exchange earnings of about R10-billion, provide a major boost for the IDZ and create a significant number of jobs.

The current unemployment rate in Nelson Mandela Bay stands at 35%, with the rate for



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young people at 75%.

South Africa also has the greatest potential and the Kalahari Basin hosts the world’s largest manganese resources.

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The Kalagadi project will see the underground Northern Cape farm mine produce three million tons a year, the ore being beneficiated to produce 2.4 millions tons of sinter.

The smelter will produce 320 000 tons a year of ferro-manganese alloy and use 700 000 tons of sinter, leaving 1.7 million tons for export.

The smelter will be located in Zone 6 and consist of four 40MW closed submerged arc furnaces and state-of-the-art gas cleaning plants.

It is the second investment

in the IDZ to be announced in less than two weeks.

The first was that Cape Concentrates is to operate a tomato processing plant from June next year, creating 180 direct jobs and 3 000 in rural areas for the farming and harvesting of the tomatoes all year round.

Speaking at the time, Coega Development Corporation business manager Chris Mashigo said the project would be located in zone 3. It was “a significant step in the development of a food processing cluster in zone 3 but also presents value chain development opportunities such as packaging and bottling”.

“Locating the Cape Concentrate facility in the Coega IDZ will be a boost not only to the IDZ but also the hinterland, (the) economy (of which) will benefit from increased production of tomatoes and related agricultural products.

“That tomatoes can be grown and harvested for most of the year means more continuous employment for workers in the agricultural sector.”

Mashigo said annual export earnings had been estimated at R150-million, while annual domestic sales were expected to reach R150-million at full production.