annual report 2012
STEEL LEAVES A LEGACY
# STEEL LEAVES A LEGACY

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V I S I O N

The SAISC aims to be the leading facilitator in the development of the steel construction sector in Southern Africa, on a par with its best international counterparts.

M I S S I O N

The SAISC promotes steel as the material of choice in construction amongst clients and decision makers through best practice, innovation, education and training, standards, practice aids and advisory services, and advances the interests of the steel construction industry in the region through advocacy and programmes aimed at excellence.

G O A L S T O B E A C H I E V E D

The SAISC strives to achieve the following goals:

- That the industry it serves exists in an environment that is conducive to business success:
  - The industry can attract able people.
  - The processes, contracts, designs etc. the industry is confronted with allows doing effective work.
  - The industry has a good image and is appreciated.
  - The industry does not have to play on an uneven playing field against other countries but rather gets preferential treatment.
  - Government programmes and policies are beneficial to the industry, and to the industries we are related to and dependent on.

- That there is a strong demand for the industry’s products:
  - The market is large enough, where possible by the addition of new market segments.
  - Steel has a name as being economical, fast, environmentally friendly, aesthetic, and relatively free of hassles.

- That the industry can be regarded as excellent:
  - The industry is, relative to others, economical, reliable, safe, fast, populated by good people, produces good work, and is innovative and proactive.
  - A number of member companies are strong in exports.
  - Innovation is common in the industry.
  - The industry has a good image.
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The year 2012 was tough for South African steel fabricators, contractors and manufacturers alike. International demand for raw materials slowed, the developed economies of Europe and the USA continued to stagnate and growth projections for China declined. The combination of factors negatively impacted mining house capital expenditure and expansion projects at a time when the planned infrastructure growth initiative announced by Government had still not materialised.

The plight of local industry was further exacerbated by recent procurement strategies adopted by major customers which resulted in internationally sourced fabricated steel, specifically from China, entering the local market.

On the positive side, the new build programme initiated by Eskom for two 4800MW power stations, Medupi and Kusile, has provided opportunities for the local steel construction sector. Implementation of renewable energy projects, the proposed nuclear expansion programme and completion of the remaining fossil fuel power stations will provide medium to long term growth prospects for the steel sector. Adoption of best practice, innovation, training, skills development and timeous delivery of quality products, are amongst the imperatives necessary for those companies wishing to participate in the future opportunities provided by the burgeoning power sector.

The multibillion rand fleet procurement process initiated by the State-owned Passenger Rail Agency of South Africa, (Prasa) as well as port and harbour extensions should stimulate growth and encourage local industry to bolster employment.

Growth rates in many African countries exceed that of South Africa and significant prospects exist in mining, petrochemical, infrastructure, gas and power generation sectors throughout the continent. South African contractors and fabricators are mitigating the dearth of local work by successfully participating in over border projects. These endeavors will receive welcome support from recent rand weakness.

Southern African inter-government liaison to improve road infrastructure and reduce border crossing delays would significantly reduce costs of cross border steel exports and provide a strong boost to the region as a whole.

A strategic planning workshop attended by the board and executives earlier this year redefined the South African Institute of Steel Construction's vision and mission. Nine strategic objectives were developed under the umbrella of four broad headings: market development, promoting industry excellence, creating an environment conducive to industry success and growth and finally ensuring that the Institute is adequately resourced to perform the task.

The staff, under the competent leadership of Dr Hennie de Clercq, have demonstrated their passion and commitment to making steel a winning industry.
The immediate challenge facing the Institute is security of funding to ensure strategy indeed becomes reality.

The South African Institute of Steel Construction is positioned to advance the interests of the steel construction industry primarily throughout Southern Africa and elsewhere on the continent through the generous support of the membership, industry and government.

The staff, under the competent leadership of Dr Hennie de Clercq, have demonstrated their passion and commitment to making steel a winning industry. The dedicated export drive and support to over border contractors by Neels Van Niekerk, continuous lobbying by Kobus de Beer, the endless knowledge of Spencer Erling and his commitment to technical support and education and the development of the light steel frame building industry by John Barnard bare testimony to these efforts.

Last but not least, our appreciation is extended to the support staff who work enthusiastically and wholeheartedly to ensure that the Institute runs smoothly and efficiently.

I wish to extend my thanks to the Board for their counsel and support and look forward to the exciting and challenging times in the year ahead.

Mike Lomas
Chairman
What is it that gets me out of bed every morning? And every other member of the staff? Well, it’s the stuff written on the opening page under the heading ‘Goals to be achieved’. We want to see a strong and healthy industry, and for that to happen there must be sufficient demand for structural steel, the business environment must be such as to make things easier rather than more difficult, and the industry must be good enough to capitalise on its opportunities.

It doesn’t take a lot of thought to see that assuming any degree of responsibility for this set of things sets you up with a job that can fill every inch of your time, energy and intellectual capacity. And then you have to admit that in the whole universe of things that influence the success of an industry a representative body can have a meaningful impact on only a limited set.

For example, the strongest single force that determined the wellbeing of our industry this past year was how much was spent, or rather not spent, on capital works by the private sector and government in South Africa. There is not much anybody can do about that; even world leaders have a problem with some of the underlying factors such as the state of the world economy. Global procurement of anything from industrial projects to tourist trinkets is a powerful force, but then one can find a little corner (too small to be noticed by the beast) where you can attack and try to achieve something for your industry. It’s on the things that are more peer-sized that one can achieve results.

This has been a tough year for us. You may argue that the Institute is not as exposed as a company to the whims of the economy and to making profits every day or quarter, but if the industry is experiencing lean times we also find it stressful.

I am quite happy, however, that we are doing the right things to realise the goals stated at the beginning of this annual report. The guideline for our actions is the strategy defined by the Board and briefly discussed on the next page.

I wish to offer my sincere thanks to everybody who worked for or with the Institute this past year, and for everybody who supported us. It is only when people work and stand together that things are achieved.

Hennie de Clercq
Executive Director
STEEL LEAVES A LEGACY

Moses Mabhida Stadium, Durban, South Africa (2010)
During February 2012 the Board of the Institute held a workshop to review the strategy of the Institute fundamentally. This resulted in the definition of nine key strategic objectives, cast in the form of programmes to be pursued.

**MARKET DEVELOPMENT**

- KSO1 - Promote the use of steel in multi-storey buildings
- KSO2 - Promote exports to Africa through ISF
- KSO3 - Promote light steel frame building through SASFA

**PROMOTING INDUSTRY EXCELLENCE**

- KSO4 – Launch a certification scheme for steelwork contractors
- KSO5 – Undertake a benchmarking programme to assess the competitiveness of South African steelwork contractors
- KSO6 - Education and training, including the establishment of an ‘Academy of Steel Construction’

**CREATING AN ENVIRONMENT CONducive TO INDUSTRY SUCCESS AND GROWTH**

- KSO7 – Lobbying government and clients

**ENSURE THAT THE SAISC IS EQUIPPED TO PERFORM ITS TASK**

- KSO8 - Improve the funding of the Institute
- KSO9 - Succession planning
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China World Trade Center III, Beijing, China (2000)
STEEL AWARDS

Steel Awards has for years now been the primary event on the calendar of not only the steel industry, but the whole construction industry in South Africa. This year the total attendance was some 1,150 people at concurrent functions in Johannesburg, Durban and Cape Town. The only sign of the tighter times reigning in the industry since after the FIFA World Cup was the smaller number of entries, but these were of a high enough standard. A very heartening aspect of Steel Awards was the undiminished support received from sponsors, which enabled us again to produce an audiovisual presentation of the entries and winners that was of an exceptional standard.

PUBLIC RELATIONS AND EXPOSURE IN PUBLIC MEDIA

The Institute has retained Brooke Browde Communications (Mr Alan Browde) as public relations consultants and if we had to pay at the same rates as for advertisements for all the coverage we received in the press it would have cost about R1.1 million – some 9.5 times the consultants’ fees. In addition, the Institute spent close to
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Cape Town Stadium, Cape Town, South Africa (2010)
R190 000 on advertising. Institute staff were also interviewed on national radio programmes from time to time, and were quoted in the press by others.

EVENTS AIMED AT MEMBERS

- The SAISC **Golf Day** in Johannesburg happened at the Houghton Golf Club on 9 May 2012 with 132 participants, all reporting afterwards that they truly enjoyed the event and the networking opportunity (despite the testing greens). The event was well supported by sponsors. The SAISC Golf Day in Durban is reported on under the KZN Committee.

- The SAISC **breakfast meetings** constitute a series of excellent opportunities for members and others to hear about topical issues, meet people involved in subjects of potential interest, and network with others. The following meetings were held during the past year:
  - Africa, mining, development and external forces – Nigel Townshend, TWP
  - The state of the welding industry in South Africa – Jim Guild, South African Institute of Welding
  - Developments and trends in the Metal & Engineering industry – Neil Penson
  - Nuclear power opportunities for the structural steel industry – Thinus Greyling
  - The DTI’s incentives for South African companies – Shareen Osman, DTI.

VISITING ARCHITECT

Continuing a tradition of some 14 years, the Institute sponsored the visit of an internationally acclaimed architect to South Africa, in collaboration with the Department of Architecture of the University of the Free State. This year the visitor was Werner Sobek from Stuttgart in Germany. Aside from the meeting in Bloemfontein, he addressed a meeting in Cape Town, reaching some 400 architects and architectural students in the process. This remains one of our most effective ways of spreading the gospel of steel.
**MULTI-STOREY BUILDINGS**

Increasing the number of buildings with steel structures is recognised as the most promising way of growing the market for structural steel in South Africa. Over a period of years the Institute has brought the benefits of steel structures to the attention of engineers, architects, quantity surveyors and property developers and during the year we have seen the first signs of growth, with a number of buildings going up in steel. We have also demonstrated on projects that steel can be economical, and expect growth as soon as the market starts moving again. Considerable time has been dedicated to developing an entirely new method of building offices up to about six storeys, and we are optimistic that we will turn this into a tangible success.

**SUSTAINABILITY**

It has been amply demonstrated: steel is green. One only need to take into account what happens at the end of the life of a project – steel can often be reused; it can at least be recycled with no loss of quality and much reduced consumption of energy. Other products are either discarded or come back in much inferior form; they are ‘downcycled’. This is the message the Institute has been preaching for a long time. One obstacle remains, namely to convince the South African Green Buildings Council not to penalise structural steel because the product produced in the country does not derive from scrap.

**PLANNING THE STEELFUTURE CONFERENCE**

The Institute has already made a major investment in terms of time and effort in the planning of what promises to be a most exciting conference called ‘SteelFuture’ during March 2013.
STRUCTURAL STEEL CONNECTIONS

A new publication – Structural Steel Connections (‘The Green Book’) comprising some 400 pages and dealing with most types of connections encountered in structural steelwork was written and published by the Institute.

THE RED BOOK

The Institute’s cornerstone publication, the Red Book (Southern African Steel Construction Handbook) had to be reprinted, as the previous printing of 5 000 was sold out in less than 3 years. A significant number of alterations had to be made to the book, primarily to bring it in line with the Green Book.

SAISC BOOKSHOP

The SAISC Bookshop, selling primarily publications of the Institute, continued to be a significant source of income for the SAISC, while providing the community of people dealing with structural steel with the information they require.

LIBRARY AND INFORMATION

The SAISC strives to be a leading source of knowledge and repository of information about all aspects of steel construction. The SAISC library, generally seen as the leading library on steel construction in Africa with about 6 000 hard copy publications and a large number of electronic ones, tends to be of great value to the technical staff, in addition to the fact that they have access to various international information sources.

SMMH CONFERENCE

During October 2012 the Institute arranged a conference on Structures for Mining and Related Materials Handling at the Riverside Lifestyle Resort in Vanderbijlpark, only the second conference internationally on the subject, both arranged by the SAISC. Though most of the speakers and attendees were South African, people came from a variety of countries to participate in the event, which was associated with a course on the SANS 10208 standard on
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Chrysler Building, New York, United States (1930)

the design of mining structures developed under the auspices of the Institute, and a course on the maintenance of mining structures. The whole event confirmed South Africa’s leadership in the field of mining structures, and in this regard credit has to be given to Dr Geoff Krige, who has been at the forefront of the whole endeavour. The Institute has bestowed Honorary Membership on Dr Krige.

STANDARDS

The year has been fairly quiet with respect to the development of new standards, due in large part to a hiatus at the South African Bureau of Standards, which has reached a level of lack of expertise where it has become quite difficult to produce standards. It was only after much discussion that it was decided to finally bury the old SABS 1200 series of specifications and go for the SANS 2001 series. Much work will have to be done in this regard in the coming year. The Executive Director is also a member of the ISO Committee TC 167 which deals with the development of an international specification.

VISITING ACADEMIC

Visiting Professor Mike Engelhardt gave well-received lectures on fire engineering in Johannesburg and Cape Town.
Since 1 July 2012 the SAISC/DSE School of Draughting operates solely under the management of SAISC and is now known as the SAISC School of Draughting.

A fourth group of students since the establishment of the School, fourteen in number, graduated in February 2012 and received the National Diploma in Structural Steelwork Detailing.

A new group of fourteen students were enrolled in March 2012. Four of them are employed, one is sponsored for his tuition fees and nine are fully private students.

During their two-year programme students receive training on:

- The application of draughting techniques and practices to produce detail drawings and arrangement drawings for structural steelwork in 2D and 3D, using advanced software.
- Bolted and welded connections
- The application of regulations and codes
- Drawing office practices, and
- Workshop and site procedures.

Aside from lectures and practical draughting, the students undertake an extensive programme of site, workshop and factory visits to gain an understanding of the products used in steelwork, fabrication, and erection.

**SHORT COURSES**

A number of short courses, mostly of two days in duration, were offered during the past year.

- The course on the design of connections had to be repeated in Johannesburg due to popular demand. With the publication of the Green Book there will now be a need to do courses on connections all over the country again.
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- The Institute offered a **workshop for architects** in collaboration with the Gauteng Institute for Architecture, covering a background to steel structures, steel-framed multi-storey buildings, light steel frame building, and achieving the desired results with architectural steelwork.

- An important new course was launched, namely one for **supervisors** in steel fabricating companies. The course was offered on 14 afternoons, one per week. Considerable demand for offering the course in-house for companies has surfaced since its contents have now become known.

- The **Steel Enlightenment** course has been offered to students at the Universities of the Witwatersrand and KwaZulu-Natal, to some 220 students.

- A course on the design of structures for **Seismic Effects** was offered in all the main centres and attracted much attention, especially since it was the first course for practicing engineers on this subject in the country.

- A course on the design of **Heavy Industrial Buildings** was well attended and received.
ASSISTANCE TO AND INVOLVEMENT WITH UNIVERSITIES

- We presented lectures to **students in architecture** on multi-storey steel construction at the University of the Witwatersrand.

- As in previous years, the Institute sponsored a **visiting professor** to present **post graduate courses** at two universities. This year the visitor was Prof Mike Engelhardt from the University of Texas in Austin who presented a 4 to 5 day course on Fire Engineering at the University of Pretoria and the University of Stellenbosch. Two members of the SAISC staff then presented additional parts of the post graduate course in Stellenbosch, dealing with the subject of the design of connections.

- The Institute continues to **sponsor post graduate research** at various universities. Important work, which is likely to have a direct impact on the building industry, was done or is under way on the subjects of roof sheeting, holding down bolts and a revolutionary dry flooring system for multi storey construction.

- **Prizes** were awarded for excellent work in a structural steel project at the Universities of the Witwatersrand, KwaZulu-Natal, Stellenbosch, Port Elizabeth Nelson Mandela, Cape Town and Pretoria. For the last three years the SAISC has funded a prize in conjunction with South African Institution of Civil Engineering for the best civil engineering student at both universities and universities of technology.

- The **New Generation Programme** has for four years now been run in conjunction with Steel Awards. Fifteen top steel students and their mentors were brought to Johannesburg, shown around a steel fabricator’s works, got the chance to visit a flight simulator, visited Kusile Power Station and attend the Steel Awards function in Johannesburg. The Institute thanks Tass Engineering, Comair and Hitachi for their assistance. Above these a number of other students attended Steel Awards functions in Johannesburg, Durban and Cape Town.

STRUCTURAL STEEL ASSEMBLERS TRAINING

The training programme for Structural Steel Assemblers has or is being run in six workshops, allowing successful candidates to move from the level of a labourer or machine operator to that of an artisan during an in-house programme. A remark by one of the successful candidates says it all “You have changed my life for me.....”
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Sydney Harbour Bridge, Sydney, Australia (1932)

In-house Steelwork Assemblers Course

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New Generation Programme
The Institute attaches a high value to collaborating and maintaining relationships with other organisations, as becomes evident from the following:

- The Executive Director attended the North American Steel Construction Conference in Dallas during April. This afforded him the opportunity to catch up with new developments and refresh our links with the American and Canadian Institutes of Steel Construction, and to renew friendships or get to know a number of North American steelwork contractors, consulting engineers and academics.

- The annual meeting of the European Convention for Constructional Steelwork in Lisbon during September was another occasion during which the Executive Director could fly the flag of the SAISC while delivering a paper on the steel construction industry in Southern Africa, while forging closer relations with the relevant associations and individuals in Europe.

- The SAISC works closely with Prof. Jan Wium, the representative in South Africa of IABSE, the International Association of Bridge and Structural Engineers, to raise the awareness of IABSE and the enthusiasm of structural engineers in South Africa. Three interesting international engineers were brought to South Africa to speak on their high profile projects together with some South African engineers.

- The Institute also maintains close relationships with the Joint Structural Division of the South African Institution of Civil Engineering and the Institution of Structural Engineers in London.

- The SAISC is a member of an informal grouping called the International Steelwork Contractors Group, consisting of the institutes of steel construction of the old English-speaking world – Canada, the USA and UK, Australia, New Zealand and us. The group meets once every two years to discuss issues of common concern, exchange information, learn from each other, and work together to achieve results. Next March, directly after the SteelFuture conference, we will host the next meeting in Cape Town, and we are structuring it to deliver tangible results.

- The Institute maintains relations with some 35 associations in South Africa serving the building and construction, steel, engineering, manufacturing, property and general business.

- In line with the Institute’s policy of promoting Black Economic Empowerment, we are a member of the Construction Sector Charter Council.
Steel Leaves a Legacy

Golden Gate Bridge, San Francisco, United States (1937)
During the year the Institute has been involved in a variety of actions and programmes in order to ensure that the steel construction industry can operate in an environment allowing it to grow and prosper.

STEEL FOR POWER STATIONS

The concept of buying local steel is now fully supported by Eskom and their major contractors. The subcontracting of steel to local fabricators was problematic in a number of respects and this is being monitored and support is given where appropriate. A major effort was made to prevent some 70 000 tons of power station structural steel being imported for the last units. This included meetings with industry players, the DTI as well as a letter to the Minister of Trade and Industries. Efforts continue to limit the tonnages of steel imported for these projects.

ESKOM’S PROCUREMENT PRACTICES

Eskom published a 2009 guideline combining their AsgiSA approach with the BBBEE requirements as well as local content preferences and the CSDP (Competitive Supplier Development Program). This was presented to SAISC members at a breakfast meeting.

Updates from Eskom are being monitored and assistance and advice given to members where appropriate. Eskom has now extended and consolidated their approach, particularly relating to the construction of power lines, introducing a ‘panel approach’ involving qualified companies from the private sector participating in providing longer term requirements. The SAISC is acting as convener for the establishment of a Power Line Constructors Association.

DESIGNATED PRODUCTS

The DTI and DPE (Department of Public Enterprises) are driving this programme as part of the government’s IPAP 1, 2 and 3 (Industrial Policy Action Plans), NIPF (National Industrial Development Program) initiative with Eskom and Transnet. Sasol and PetroSA are also targeted. Our exercise on promoting structural steel for power stations is used as a model for other CSDP (Competitive Supplier Development Program) applications.
We successfully compiled and submitted a formal application to ITAC (International Trade Agreements Commission) for the imposition of 15% import protection on power pylons and cellular tower steelwork and followed it up with a successful application for power pylons to be designated. This was done in December 2011 meaning that these products have to be sourced locally by State Owned Enterprises.

A number of further opportunities have been identified at Transnet, PRASA and Portnet and are being pursued at the regular UNIDO meetings. We are also active participants in the NIASA (Nuclear Energy Association of SA) to identify structural steel opportunities and create awareness among members. A breakfast presentation was held for members showing impressive tonnages of structural steel used in the new generation of nuclear stations.

**Chinese and Other Imports**

A steadily growing stream of imports of structural steel from China, Saudi Arabia, India and other countries is noted. These are analysed on an ongoing basis and the following categories found:

- Projects such as the power stations and the Sepaku cement plant where blanket
project permits were issued (often many years ago) permitting structural steel (and any other products) to be imported free of duty and under artificial (meaningless) customs & excise tariff headings. Meetings were held with various government officials and departments to create awareness of these and to prevent further permits of this nature to be issued. Efforts are also being made to ensure that the Chinese contractors comply with South African regulations and legislation while executing the project.

- Structural steel imports should attract 15% import duties. It was observed that not all known imports were reflected by SARS customs statistics and we have requested a number of investigations into the imports of duty free “prefabricated buildings” as well as imports done under fraudulent headings – for example 6 000 tons of structural steel imported as “furnace equipment”. Close co-operation with SARS has now been established to put a stop to such practices.

- Major South African clients such as Anglo American and Sasol are importing structural steel from China. Individual approaches to senior executives and meetings with buyers are being held to try to limit this development. An important factor is the need for local suppliers to be internationally competitive.

UNIDO (UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION)

The SAISC is registered as a SPX (Subcontractor and Procurement Exchange) Centre with UNIDO to facilitate the industry’s participation in the various State Owned Enterprises’ purchasing processes. A consultant was appointed by the SAISC and visited member companies to implement this. It involved ‘profiling’ of industry members, i.e. electronically coding members’ capabilities and products using standardised international systems. This will assist participating companies to receive additional export enquiries. This can still be extended to include all members as many more client companies are consulting the UNIDO database.

‘Benchmarking’ of members was done using a modern business approach to make comparisons with the best practices worldwide and also to facilitate continuous improvement processes at individual participants. Highly satisfactory results were reported on in a number of articles and presented at a breakfast meeting. Again this can still be extended to more members.

OTHER ACTIVITIES

- The SAISC **co-operates and collaborates with related industries** such as steel tubes, stainless steel, pressure vessel manufacturers, aluminium, tank building, boiler work, other construction disciplines such as civils, mechanical, electrical, etc with a view to speaking with a common voice about common issues.

- Regular **liaison with DTI** officials takes place to provide information on industry activities and to provide input on possible new incentives, etc. A visit was arranged for DTI officials to visit the Kusile construction
site as well as Genrec’s workshop and apprentice school. Presentations were prepared and presented showing the benefits of the **multiplier effect** in the industry.

- Input is provided from time to time at the Gauteng Development Group, Nedlac, Busa, etc. Close liaison is maintained through the CEA with SEIFSA. We have good contact with the Manufacturing Circle and this avenue used to provide suitable input and also to gain access to various government officials and ministers.

- Input was provided to the DTI regarding developing possible **financial incentives** for the industry. Meetings were held with IDC representatives and members were advised of the availability of ‘distress funding’, which some members made use of. The DTI has announced a new set of incentives, ‘MCEP’ (Manufacturing Competitiveness Enhancement Programme), which will benefit members considerably. A breakfast presentation has been organised for the DTI to present details to members.

Detailed information and further clarity on any of the above is available. Any comments or suggestions are welcomed.
KWAZULU-NATAL

The committee in KwaZulu-Natal has been active for many years now, and remains one of the cornerstones of the Institute’s activities. During the year the committee elected a new chairman in the person of Sunthosh Balchund, following in the footsteps of Ricardo Avellini.

Among the successes of the committee was an outstanding Steel Awards dinner, attended by some 180 people, as much as the venue in the Durban Botanic Gardens – highly appropriate in view of the sustainability theme of the event – could accommodate.

The KZN Golf Day was an equally successful event.

WESTERN CAPE

The Institute in the Western Cape has new lease of life under the chairmanship of Michael Papanicolaou. The committee is planning a number of events between the companies in the Cape steel construction industry and various professional groups on reaching an understanding on what each group expects from the others. They are also trying hard to increase membership and interest from the local fabricators.

As in KZN, the Cape Steel Awards function was held in botanical gardens, this time Kirstenbosch. The event was attended by some 120 people.

The following graph shows how the price of structural steel has varied since 2007, on the basis of SEIFSA’s Table E-EX, the information for which is provided by the SAISC on a monthly basis.
The Institute handles between two and five calls per day requesting information and advice. Many of these calls are of a technical nature, sometimes in a quest for rather basic information, at other times asking for design guidance or advice after a failure. Many people require guidance on business or contractual issues. Companies considering making an investment, investment managers and the press often contact the Institute to obtain our views on the situation and outlook for the steel and steel construction industries.
The mission of SASFA is to develop and grow the Southern African and export markets for light steel frame building.

The association has been successful in pursuit of this mission during the six years of its existence, as testified to by the fact that some 20,000 tons of steel is consumed by light steel frame building (LSFB) per year. It has been amply demonstrated as a viable, economic and exciting form of building and a large number of monuments to it can be seen in South Africa's cities and towns, and even in some remote areas. More LSFB is also seen in multi-storey buildings and in the facades of buildings, and there is every reason to expect much more growth in future, especially when the building industry recovers.

The following is a brief list of SASFA's activities and achievements during the past year.

**PUBLICITY**

Light steel frame building receives constant exposure in various media, the intent being to get not only the professions and the building industry to know about and appreciate this form of construction, but also to create and awareness among the general public and to have people associate it with quality, durability, sustainability and class.

- **Media articles**: some 40 media articles were placed in prominent media to expand awareness of LSFB.
- **Steel Awards**: we received 6 quality LSF entries, and the overall LSF winning project – the Deloitte head office building in Pretoria – was also crowned as the winner of the Architectural category.
- **Exhibitions**: SASFA exhibited at the Green Building Conference in Cape Town, as well as Interbuild. It proved to be excellent forums to disseminate information on LSFB.
- **Presentations by the American LSFB contractor on the PAG Athletes Village contract in Maputo was arranged at the annual Master Builders’ Association Congress in Cape Town, followed by presentations at two breakfast meetings arranged for this purpose.
- **An informal newsletter is sent to members to keep all informed about developments in industry.**
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Superior energy efficiency confirmed

The London Eye, located in London, United Kingdom, is a famous Ferris wheel. It was opened in 1999 as the tallest Ferris wheel in the world at the time. The structure is made of steel, which has become synonymous with modern architecture. The steel used was produced by British Steel, and the entire structure cost £18 million to build. The London Eye is a popular tourist attraction and a symbol of the city.

Don Allen

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SAISC Newsletter

Please use the newsletter to communicate with the members. We try to keep it up to date with developments in the industry. This is the second newsletter of the year. We are getting a mixed feedback regarding conditions in the building. Some members claim the building is very busy while others comment on the lack of activity. There are a few large expansion projects on the cards.
SASFA has been engaged in a variety of educational activities during the year, in line with the strategy of ensuring that as many people as possible are familiar with the concept, and that there will be an adequate supply of people who can design and build such buildings.

- Annual lecture to University of Pretoria building science students was delivered
- The 6-day LSF training course for builders was presented in Cape Town, Midrand and Durban, to a total of 45 attendees. This brings the total number of people who successfully completed the course to 120.
- The SANS 517 Code course was presented in the three major centres, as part of a two day training program. SASFA also contracted an American specialist engineer, Don Allen, to present a one-day course on LSF for mid-rise buildings and facades.
- Several lectures on LSFB have been presented to regional groups of representatives from the Department of Human Settlements, in collaboration with the NHBRC.

SASFA contracted the CSIR to carry out research comparing the energy efficiency of a LSF house with that of a masonry equivalent. Their computer based research proved that LSFB will on average require half of the electrical energy to heat to comfortable temperatures compared with a brick building.

The following activity occurred with respect to codes and standards of relevance to LSFB during the past year:

- SANS 517 Light steel frame building was updated by the SABS.
- SANS 10162:2 Cold-formed steel design, adopted from the Australian code, was published by the SABS.
- SASFA is represented on the SANS 10400L (Roofs) committee of the SABS, to ensure that LSF is correctly covered in the code revisions.
- SASFA is also represented on the SABS committee SC98C, which is responsible for all standards dealing with steel or aluminium in building and construction.

A well attended industry meeting was held in Durban.

SASFA’s Exco, Technical and Training committees met on a two monthly basis, involving 30 industry specialists from 18 member companies.
QUALITY MONITORING

SASFA was approached by a few clients who were not satisfied with their LSFB’s. The technical aspects of the projects were investigated and remedial measures agreed with the builders. One company’s membership was suspended in anticipation of corrective measures.

MEMBERSHIP, FEES AND FINANCES

It is a pleasure to report that Lafarge Gypsum rejoined SASFA as a founder member.

Membership applications by 13 other companies were accepted, 8 resigned and 3 were suspended due to unpaid membership fees, resulting in a net gain of two new members. A strategy was formulated to expand the membership.

SASFA’s actual income was 3% below budget, offset by a 6% reduction in expenditures.
The ISF and its members had a difficult but exciting year. All the objectives set for the year were achieved and are commented on below.

Despite the ever-increasing activity of Eastern, especially Chinese, operators in Africa, our members could maintain their widespread exports into Africa. As a result of the unprecedented growth in Mozambique, a large part of the exports were destined for activities directly linked to the development of the coal fields in the Tete Province. The majority of exports were destined for countries within the Southern and Eastern parts of Africa with steady exports to gold mine projects in West Africa.

A continued shift in the marketplace forced the ISF to review its strategic focus. The most important shift is the continued increase in the African marketplace to receive solutions rather than product. The demand for fabricated structures excluding erection is becoming the exception. Demand for un-erected structures for large projects is fiercely competed for by Chinese and other Eastern fabricators and on an increasing basis, also from the Middle East and Europe. Tender successes out of South Africa for such large projects are steeply on the decline.

We are also witnessing a definite swing in mining clients now more and more developing a preference for EPC lump sum turn-key contracts. This is leading to a major addition in the membership focus of the ISF; it was decided that the ISF must launch a recruitment drive to include South African civil and SMEP contractors that have become major purchasers, exporters and erectors of fabricated structural steel. Two of the largest civil contractors already joined the ISF and we are in contact with the remainder of the large civil contractors.

The ISF is one of the leading Export Councils involved in the latest drive to establish the concept of SA Inc. We are involved in the development of a platform to firmly establish the SA Inc. concepts as discussed over the years. As the first step, project opportunities in the North-South Corridor as defined by the African union were researched. As a second step, the establishment of a Public-Private platform to accelerate the development of the North-South Corridor is now in progress.

Through this initiative, the ISF aims to add the infrastructure industry to our key export market i.e. the Sub-Saharan African mining industry.
STEEL LEAVES A LEGACY


Setting sights on Mozambique

The push into the sub-Saharan region by many South African, and foreign steel fabricators continues unabated with many focusing on the continuing opportunities in Mozambique. This is the opinion of International Steel Fabricators (ISF) Director Hein van Nierkerk.

"Mozambique beckons as sub-Saharan drive continues."

For your ultimate structural steelwork and plate work solutions... any size... anywhere...

Projects and contacts

International Steel Fabricators of South Africa

SAISC ANNUAL REPORT 2012
We are also witnessing an increasing demand for higher value-add product such as modularised structures with the mechanical and electrical components already fitted. Structural fabricators only basing their business on ex-work structure-only supply can expect to see their margins further eroded coupled with a drop in volume over time.

The value proposition of the ISF does not only include assistance in exports but also assistance in understanding how the world’s structural steel market operates.

Maintaining contact with industries around the globe remains one of the priorities of the ISF enabling it to be able to advise on trends and arrange introductions to various players around the globe.

The highlights for the year included the following:

- The ISF and members jointly marketed to potential clients in Mozambique, Tanzania, Kenya, Tunis, Turkey, Canada, USA, including the World Bank family, Chile and Russia through National Pavilions, exhibitions, international trade missions and individual visits.

- The ISF advised its members and international wind power companies on potential local supply of the structural steel components thereof.

- The ISF continued to interact with the Government on various subjects including the national export strategy, implementation of IPAP2, the steel industry in general as well as infrastructure developments for the North-South corridor.

The following graph shows the government statistics for the tonnages of steel exported under Code HS7308 – Structural Steel – since 1994.
The table above shows the membership statistics for the Institute, SASFA and the ISF. It is apparent that the numbers have not significantly changed during the year.

During the Steel Awards function Spencer Erling received the honour of honorary membership of the SAISC for a lifetime of service to the steel construction industry, the engineering profession and the Southern African Institute of Steel Construction.
This report covers The Southern African institute of steel construction NPC (SAISC), the South African light steel framing association (SASFA) and the South African international steel fabricators business council NPC (ISF).

This was a difficult financial year for the SAISC finances which ran at a substantial loss (higher than the small loss originally budgeted for), largely caused by the expected loss by the SMMH conference held in October and the delay in issuing the new connections handbook. This delay, largely caused by the typesetting, prevented the sale of advertising and new books from happening in the 2012/2013 financial year. The book should make its appearance in November 2012.

Both SASFA and ISF have made a small profit for the 2011/2012 financial year.

There are two noticeable factors affecting both SAISC and ISF incomes:

1. Both associations have had resignations at company level and at individual level. Whilst the actual number of insolvencies has been small, several companies just ceased trading or merged with others. The reason most often cited by the resigning companies is cash flow difficulties and or the need to cut back to try to survive the difficult times.

2. There has been a substantial drop in the attendance of courses – another sign of the hard financial times. The courses continue to get very high ratings from attendees.

However this report is not all doom and gloom. The steel mills have promised more funding to the SAISC but it will take some time to be realised in cash. This is hampering some of the exciting projects and ways of offering more service to the industry that are in the pipeline.

Other positive signs for improved income are the slight uptick in course attendance in the first few months of the year, that Steel Awards 2012 ran at a profit compared with the small losses of previous years and that in addition to the connections book we will be publishing a new edition of the Red Book in the first quarter of 2013. This should ensure that book sales continue on the high levels reported over recent years.

Nevertheless all three associations are extremely careful spending money and keeping costs as low as possible.
STEEL LEAVES A LEGACY

Spaceship Earth, Disney World, Florida, United States (1982)
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SAISC

Hennie De Clercq  
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Spencer Erling  
SAISC

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SA Institute of Welding

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Dept of Trade and Industry (Observer)

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ArcelorMittal SA

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MiTek Industries SA (Pty) Ltd

Garry Powell  
Saint Gobain Isover

Saint Gobain Isover

Lisa Reynolds  
Saint Gobain Isover
STEEL LEAVES A LEGACY

Centre Georges Pompidou, Paris, France (1977)

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Debbie Allcock
Pamella Mnyanda
Hennie De Clercq
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Spencer Erling
SAISC
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Central Welding Works
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Vital Engineering & Angus
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