

Acquisition brings new furnace technology to South Africa

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Smelter engineering firm Metix has been able to provide the mining industry with technology that was previously not available in South Africa, following the company's acquisition by global steel processing technology supplier SMS Siemag.

Metix MD Reinier Meyjes states that the SMS group's June 2011 acquisition of Metix has supplied the Southern African submerged arc furnace (SAF) engineering services and technology equipment provider with access to new technology, equipment and processes, including those relating to direct current furnaces.

"With this technology, we are able to do business with an expanded range of clients, while the acquisition has also provided

us with the opportunity to broaden our geographical footprint into the African market."

"The effects of the 2008 financial crisis and the Eskom electricity crisis have made Metix focus on obtaining work outside of South Africa, with SMS Siemag providing the opportunity to do so," says Meyjes.

As a majority shareholder in Metix, the SMS group brings experience, expertise and resources to the Johannesburg-based company, which has already established a reputation in smelter plant construction and SAF equipment supplies to the ferroalloy sector in the Southern African market.

Metix's current portfolio of products will also be significantly expanded to cover the entire range of technology available



INSTALLED FURNACE LINING

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With the technology that is now available to it, Metix has undertaken various projects in Africa, one of which involves rebuilding and upgrading the ferrochrome furnace No 2 at integrated ferrochrome producer Zimbabwe Mining & Smelting Company's (Zimasco's) smelting operation, in Kwekwe, Zimbabwe.

"The furnace rebuild has been delayed for many years, owing to market conditions and Zimbabwe's financial and economic situation. However, with the Chinese involvement, we are able to speed up work on the project," says Meyjes.

Further, the improvement of the furnace's capacity is being incorporated, owing to Chinese-controlled Zimasco having the funds to continue the refurbishment and upgrading.

Metix's latest major project in the pre-treatment of ores is a 600 000 t/y chromite ore pelletising and sinter plant, as part of the Tswelopele project, being constructed for the Xstrata-Merafe pooling and sharing venture, in Rustenburg.

This is the sixth such plant constructed by Metix since its formation in 2003. Xstrata received the environmental record of decision in the second quarter of 2011. Construction started immediately and the plant will be ready for hot commissioning towards the end of the last quarter of this year.

"We have also landed a contract for the Xstrata-Merafe Lion ferrochrome complex Phase 2 expansion, in Steelpoort. Xstrata is doubling production at the plant and we have been contracted to supply the furnace equipment for two 75 MVA furnaces," explains Meyjes.

Meanwhile, SMS Siemag technical sales director Dr Rolf Degel is confident that the acquisition will lead to measurable and sustainable growth for both companies, while SMS Siemag has already made a substantial investment in the South African economy.

"Both parties will gain significantly from the merger, with SMS Siemag having created the strongest furnace engineering company in South Africa," says Meyjes.

Although the future outlook for the SMS group and Metix seems positive, Degel does admit that Metix faces a number of challenges.

"Smelters consume a large amount of electricity, and that will prove to be a major challenge in South Africa, which is currently

experiencing an electrical energy shortage. We are now in the fortunate position to offer energy-recovering equipment that partly overcomes this challenge," he adds.

Meyjes notes that Metix has accumulated significant references during the past few years – both in pretreatment of ore and technology equipment for new furnaces, furnace refurbishments and upgrades – despite the 2009 downturn in the world steel markets, to which the ferroalloy industry is linked.

"The working relationship between Metix and the SMS group has already proven to be mutually beneficial. We are looking forward to a transparent and prosperous partnership that should span decades," he concludes.

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