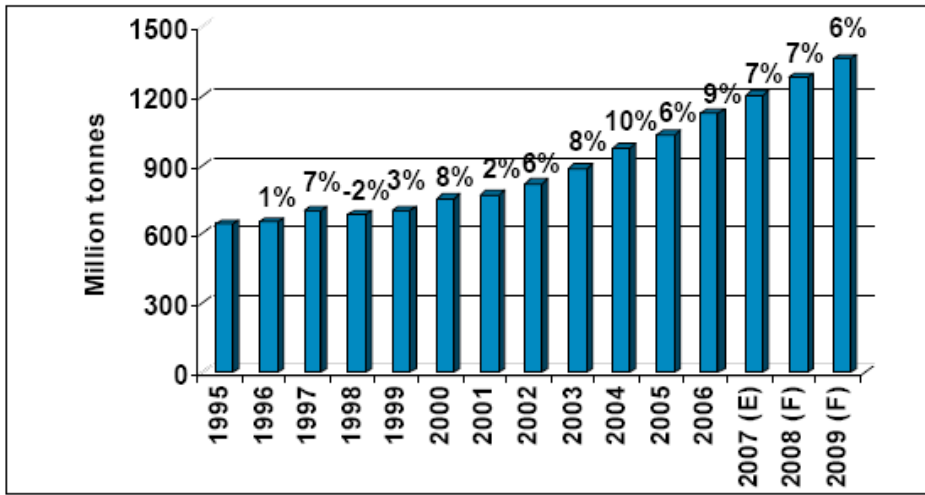


**ANNUAL GENERAL MEETING
PRESIDENTS REPORT 11 SEPTEMBER 2008**

It gives me great pleasure to welcome you to the 34th Annual General Meeting of the Corrosion Institute of Southern Africa. A special welcome to visitors, and members who joined us during the past year.

Although there is general talk of a slow-down in the economy (globally), I think that the corrosion protection industry in South Africa, in specific, is healthy from an economic point of view. Rather than too little work, most people are struggling to cope with work pressure, and in fact, some of our members even had to close their orders books.

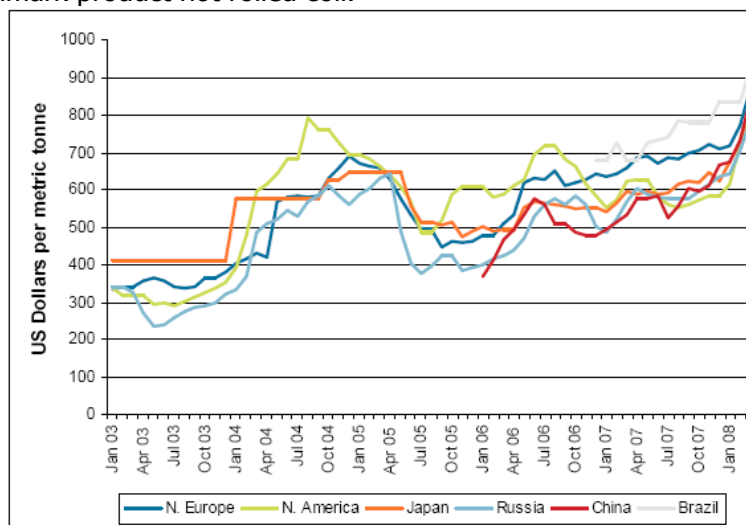
World steel consumption has continued to grow at historically high rates, and this trend is forecast by the International Iron and Steel Institute (IISI) to continue. The following graph is based on IISI forecasts produced in March 2008.



Source: [International Iron and Steel Institute](#)

Graph 1: World apparent consumption of finished steel products (million tonnes)

The upwards pressure on steel prices is part of a global phenomenon. It is driven by the global growth in demand; and the increases in iron ore, coking coal, shipping and energy prices affect all steel producers regardless of their location. The following graph tracks price movements around the world for the benchmark product hot rolled coil.



Source: [Steel Business Briefing](#)

Graph 2: International price comparison for hot rolled coil (US\$/tonne)

Any case, the long and short is that firstly; there is more steel that needs to be protected from corrosion, and secondly; the steel comes at an increased cost – further increasing the cost of corrosion and therefore, the significance of our industry.

Perhaps, the frantic pace referred to earlier is also related to the ageing and diminishing expertise base in South Africa. In the interest of sustained corrosion protection, the Institute certainly has a role to play to reduce the adverse effects of corrosion, as detailed in our Constitution, by:

- a) Providing forums for discussion of corrosion and its prevention
- b) Encouraging training in corrosion technology
- c) Recognising merit in this field
- d) Promoting scientific research into corrosion
- e) Enlisting a wide membership, and
- f) Promoting standardisation and high quality

This has been an interesting, active and rewarding year for the Institute on most of the areas listed above. I will now report on the activities for the past year.

a) Providing forums for discussion of corrosion and its prevention

The technical evenings fulfil one of the important tasks of the institute by providing networking opportunity and camaraderie in the industry. The technical programme in Gauteng has been ably organised by Bruce Trembling. In order to encourage members and visitors “to come back for more” it is imperative to be innovative and keep one step ahead. Despite all the usual excuses about work pressure, security, location, timing, etc, etc, etc, we had a good year with increased attendances and fruitful discussions. The average attendance for this year was 29 people – a significant increase from 25 in recent years. Three technical evenings were presented by international speakers.

Similarly, Buster Armstrong and crew are doing a sterling job in KZN, and I receive regular updates of a vibrant group with a lot of energy. A varied programme has also been presented with good attendance throughout the year.

b) Encouraging training in corrosion technology

Providing training and education in corrosion technology has reached new heights during the past year under the auspices of Neil Webb and John McEwan. Not only does this activity fulfil a vital role in the Institute’s mandate to combat corrosion, through direct education, but it also provides a feeder stream for Institute members and contributes towards the sustainability of the Institute by providing a revenue stream.

CorrISA Course

The 5-day Corrosion Engineering course was presented twice during the last year, once in Gauteng (15 attendees) and once in KZN (6 attendees). A total of 331 people have attended this course to date, which is a compliment to those who had the foresight and dedication to compile the course some 15 years ago. Another course is scheduled for next week with 14 registrations.

NACE Courses

Attendance at the NACE courses continued to be very encouraging, and surpassed the original projections predicted in the business plan. A total of 87 people attended the various NACE programmes (CIP and CP), during the reporting period from July 2007 to June 2008, bringing the total number up to 269 since inception. In the interim, an additional 84 people have already attended NACE courses since July. Indications are that this high demand will continue in the foreseeable future.

A special vote of thanks goes to:

- John McEwan, who took over the duties of NACE administrator
- Beverley van Niekerk for doing most of the day-to-day administration previously done by CE@UP, in addition to her normal workload
- The local instructors including Bruce Trembling, Chris Ringas, Craig Botha and Neil Webb

- Corporate members for support including, Blastrite, Mintek, Plascon SA and Storm Machinery
- Sponsorship of the CP equipment from Transnet Pipelines and Randwater

Marine Corrosion

A Marine Corrosion Course was held in Hermanus in February this year. This course was specifically compiled for the needs of the SA Navy. A total of 19 people attended from the Hermanus Magnetic Observatory and the SA Navy. Again, thanks to John McEwan for co-ordinating the whole project, with contributions from Neil Webb and Chris Pistorius.

Tertiary Education

To further create awareness, the Institute again participated in the poster session held at the University of Pretoria (UP), and awarded prizes to the three best projects. Thanks to Chris Pistorius for organising the event and Philippe Scheers for adjudication.

With the loss of Chris Pistorius (Head of Department: Metallurgical Engineering from UP) and Herman Potgieter (Head: School of Process and materials from WITS), there appears to be a significant lack of experience in the field of corrosion at Higher Education Institutes. This is of concern, and is something that must be addressed moving forward.

Two Ivan Ogilvy scholarships will be presented next month at the Institute Dinner.

SAQCC

A number of Institute members remain active in the SAQCC (Corrosion Protection) committee. This is an important activity to ensure acceptable standards and relevance of course material. To this end, both Level 1 and Level 2 Coatings Inspector courses are in the pipeline to be modified and re-written.

Level 1 entries have increased significantly during the past year, and 63 people passed this course. The Institute's involvement with Level 2 should be reassessed.

c) Recognising merit

The Institute's annual dinner and the AGM have been separated, and the dinner will be used as an "Awards Ceremony". You should have received your invitation for what looks like an interesting evening, and again, I would like to thank Vanessa Sealy-Fisher for her innovative and creative approach with our dinners.

d) Journal

The SA Mechanical Engineer remains an important mouthpiece to communicate to a wide audience. Thanks to Vanessa Sealy-Fisher for supplying relevant material for publishing.

f) Membership

Our membership is relatively stable at about 300 members, see below. It is encouraging that the Company members are up. The individual member figures are slightly more volatile since a one-year free membership is offered to attendees of courses, and membership is not always continued.

	Sept 2007	Sept 2008
Company members	82	85
Individual members	174	163
Honorary members	12	13
Retired members	24	24
Fellow members	10	10
TOTAL	302	295

g) Social

Gauteng region had a good golf day last year, with 21 four balls participating. Barlow World Plascon (Don Cochrane, Aubrey Myburgh, Tienus Groblaar and Kobus Smit) won the Four Ball Alliance competition, while the Pink Lady competition was won by Blastrite (Calvin Blumental, Paul van Rooyen, Johnny Venter and Peter Brisley).

It is still evident that KZN are one step ahead of Gauteng here and even managed to raise R14 741 that was donated to Hospice. Thank you to Buster Armstrong for their efforts here and also to offer to help Gauteng with 'our' arrangements.

A successful 'first' fishing day was held at Trout Hunters in Tarlton in April. While trout and carp were tempted in the dams, a crabbing competition was also hotly contested in the stream by the children. It was a fun day for family members to socialise, and a big thank you goes to Bruce Trembling, Vanessa Sealy-Fisher and Beverley van Niekerk for arranging the day. Thank you also to the sponsors of the prizes including Columbus Stainless, Jotun Paint, Sigma Coatings and Plascon SA.

h) Council and Secretariat

My thanks and appreciation goes to all the Council members and Regional Committee members for sacrificing their valuable time during the year. Without their efforts, none of the above would have been possible. Unfortunately, Darelle Janse van Rensburg resigned as Vice President and from Council, due to work pressure. I would like to thank Darelle for her valuable contributions over the years, and welcome Bob Wilmot as 2nd Vice President.

I special thank you and congratulations to Beverley. This year has been her tenth year with the Institute. Changing bosses (and management style) every two years cannot be easy, particularly if you only see him/her only once every month...

i) Conclusions

We look forward to a challenging and successful year ahead. Significant progress has already been made to compile a 'fundamental' corrosion course for the petrochemical industry. This has been a major undertaking, and should go a long way to rekindle closer ties with end users and other sectors of the corrosion protection industry (including other industry associations). It is the intention to later develop other courses for specific problems/environments in this industry.

In expansion of the NACE programme, we have received enough interest from industry to run the NACE 'Corrosion in Refineries' course. This course will probably be offered early next year.

Furthermore, in continuation of the Marine Corrosion course developed and presented earlier this year, a follow-up NACE "CP 2 Technician Marine" course is also on the cards for the SA Navy.

Interest for courses in other industries (from mining to telecommunications) has also been received, and the existing umbrella of courses also promises a busy year.

Clearly, the "rate determining step" is currently the Institute's ability to react to these needs. It is evident that the Institute have the opportunity now to truly establish itself as the market leader and preferred supplier of corrosion education. This is the model to ensure a vibrant and sustainable Institute. We have already lost some initiative in the case of seminars and conferences, with other organisations entering "our domain" for their financial gain. This is simply due to a lack of manpower from our side. We need to ensure that the same does not happen on the education front. To this end, we will further move closer to an "Operating Officer", as discussed at last year's AGM. The alternative is to carry on as an 'old-boys club', meeting once a month for drinks.

Lastly, I would like to reiterate that in order to be an effective voice, the Institute needs an active membership. Please help us to be more effective by becoming more involved in your Institute.

Deon Slabbert
President
September 2008