

NEWS

- CHAIRMAN'S REFLECTIONS - PAGE 1
- WHEN IS THE GOVERNMENT GOING TO START TO VALUE LOCAL MANUFACTURING? - PAGE 2
- AS 1528 UPDATE - PAGE 2
- LES'S CORNER - PAGE 2
- NEWS FROM AROUND THE WORLD - PAGE 3
- AND THE ANSWER IS - PAGE 3

CONTACT US

ADDRESS:
P.O. BOX 76134
MANUKAU 2241
AUCKLAND

EMAIL:
ADMIN@NZSSDA.ORG.NZ

WEBSITE:
 WWW.NZSSDA.ORG.NZ

LINKEDIN
 NZSSDA

If you no longer want to receive newsletters from NZSSDA please send an email to admin@NZSSDA.org.nz with opt out in the subject line.

CHAIRMAN'S REFLECTIONS

News about raw material shortages continue to appear in the local media – most recently timber for housing, but preceded by news that carbon steel production levels internationally were failing to meet pent-up demand, and subsequently prices shot up.

Another member organisation of Metals NZ, NASH, must be eyeing the potential boost in market acceptance for steel framing as a viable replacement for timber framing – are there also opportunities for some of our stainless members with this development?

Stainless steel itself has seen considerable supply and price volatility in recent months. According to a recent ISSF report, international melt capacity dropped 2.5% over 2020 with only China showing minimal growth. Combined with stockists particularly in Europe and the US cutting back on their purchases, and the resulting production cut-backs by mills, an international supply shortage and lead time extension was bound to occur. Fortunately for the NZ market, we are such a small player with our major supply focus being Asia that we do not appear to have experienced the same level of supply disruption. If anything, shortages have rather been the result of our own strong market demand in certain sectors.

Not all sectors serviced by our members are seeing the same level of strong demand, and ideally NZSSDA would be in a position to offer some assistance – but only if our members keep us aware of these situations. With Internal Affairs recently advising that water infrastructure will require an average NZD \$2 billion per annum investment for the next 30 to 40 years, opportunities for stainless steel usage certainly exist. And our food producers continue to expand their production, with only international sea and air freight chaos (plus some skilled labour shortages) holding us back.

Part of the disruption to stainless supply and price volatility was caused by Nickel rising steadily – from June 2020 levels around USD \$12,000 / MT they rose to a peak of almost USD \$20,000 around 22nd February. Part of the issue has been mining supply issues, with flooded mines in Russia, and export of Indonesian product being restricted to support local demand. Since the peak, Nickel has plateaued around USD \$16,000 resulting in some stability to stainless steel product pricing.

One of the major benefits of the “Covid year” has been our understanding and acceptance of technology and how it can simplify our interactions. Zoom and Teams amongst others have brought the world closer – particularly when in New Zealand we are as far as possible from Europe and the US and differing time zones. The subsequent efforts put into webinars for training and distribution of knowledge have meant that businesses and staff based in NZ can quickly and cost effectively up-skill and remain up-to-date. Through our international network, NZSSDA is working to ensure that our members are aware of these many opportunities. Both Australia Stainless Steel Development Association (ASSDA) and International Stainless Steel Forum (ISSF) regularly provide product specific webinars, and I urge you all to make use of these offerings where possible.



Paul Gapper

CODE OF PRACTICE
FOR THE FABRICATION
OF STAINLESS STEEL
PLANT & EQUIPMENT®



What is the Blue Book?

On joining NZSSDA a free copy of the NZSSDA Code of Practice for the Fabrication of Stainless Steel Plant & Equipment is available. Make sure you have received your member copy. If you are not a member or would like an additional copy please complete the order form on the website www.nzssda.org.nz.

WHEN WILL GOVERNMENT START TO VALUE LOCAL MANUFACTURING?



NZ Manufacturing Alliance's Nick Collins argues the case for more support.

When are we going to see government realise the value of local manufacturing and start supporting our business and their employees?

As we watch yet another long-running New Zealand manufacturing business disappear with the likely closure of the Whakatane wood processing mill – yet another in a long line of plant closures in the last two years – manufacturers are questioning the Government's attitude and lack of action.

[The following comment piece ran in the **National Business Review**, 13 March 2021]

Our manufacturers are under pressure, some more than others, from not only failing international supply chains but rising energy and carbon costs, unwillingness of government to address subsidised exports and imports that undermine competitiveness and an ineffective investment environment

Yet many of New Zealand's main trading partners place high value on their manufacturing sector and are proactively enabling them to thrive in a post-COVID recovery. Major interventions being implemented are documented in the new *Martin Jenkins report commissioned by the Wood Processors and Manufacturers Association*. **Read more**

CHROMIUM MEMBER



www.wakefieldmetals.co.nz



www.steelandtube.co.nz



www.vulcan.co

GOLD MEMBER



www.nickelinstitute.org

AS1528 UPDATE

Our technical committee has continued to make positive progress in the background with the review of the NZ standard RJT union fittings. Confirmation was received from the ASSDA members of the Standards Australia committee responsible for the current review that this is still a focus for them. The suggested fitting dimensions have been circulated to both members and other NZ companies identified as potentially having an interest. In total about 60 contacts were made, and replies are starting to be returned with all supporting the work to date. As importantly, feedback from manufacturers overseas has also been supportive, with suggestions for a couple of minor adjustments.

If you have not yet replied, please make every effort to do so as this acceptance is critical to gaining SA approval. Details can be sent to any interested company that we may not have included to date.

The committee was extremely mindful that changes needed to be kept to a minimum in order to remove any incompatibility with fittings already installed or in stock in NZ. This exercise was primarily focused on ensuring that there would be an internationally recognised standard for these fittings which are essential to NZ food manufacturing. One company in particular read about our review, and contacted us expressing relief that the end result will be a standard that equipment manufacturers overseas can refer to, allowing NZ standard connections to be machined / added at the factory.

GOLD MEMBER



www.stainlessproducts.co.nz



LES'S CORNER - TRUE OR FALSE

Welcome to Les's corner where he will ask and answer a True or False Question. - A builder is constructing a residential house right on the coast which is to be clad with cedar timber weatherboards.

The builder knows that cedar timber can be corrosive towards metal fasteners used to fix the cladding to the timber framing. He seeks advice on what the best material is for the nails to fix the cedar cladding in the coastal

environment in order to ensure high durability. The advice he receives is that the nails should probably be made of grade 316 stainless steel. The builder chooses grade 316 SS nails to ensure that the cedar cladding structure will provide a 50 year life as required by the NZ Building Code.

Is the selected nail material the right choice?



ISSF - The Global Life Cycle of Stainless Steel* Published 08 January 2021

Minimising mining (primary production) and maximising recycling (secondary production) are core principles of sustainable resource management. Consequently, there is an increasing interest in quantifying the material life cycle of stainless steels and their efficiencies from production, to fabrication, manufacturing, use, recycling and, in some cases, disposal.

Read more

*This leaflet summarizes the results of a study which quantifies the stocks and flows cycle of stainless steels. Conducted by Barbara Reck, Senior Research Scientist at Yale University, the study 'Comprehensive Multilevel Cycle of Stainless Steel in 2015' concluded that on average, 85% of stainless steels are recycled once they reach their end of life, either to become new stainless steels (56%) or a valuable iron source for carbon steels (29%).



ISSF Webinar: Future Mobility: Dumping Fossil Fuels Published 04 March 2021

Our world is changing fast and needs to change fast! Since the use of fossil fuels in

vehicles are one of the most significant factor polluting our environment, affecting not only the air we breathe, but also the land and the water we need, solutions must be found to minimise GHG pollution. Amongst available and developing solutions, green hydrogen is a booming alternative with all the right credentials. Stainless steels will be needed in every step of the production and use of green hydrogen; to produce the hydrogen, to transport and store the hydrogen and in the vehicles that are powdered by hydrogen.

Read more and view webinar



Sustainable Steel Council - Six Reasons Why Steel is a Choice For The Future

Steel's sustainability credentials are under increasing scrutiny. For example, through the New Zealand Government's tendering process and changes proposed to the Building Code as indicated in the Ministry for Business Innovation and Employment's Building for Climate Change programme.

Read more



LES'S CORNER - AND THE ANSWER IS



Answer - True.- the choice for the nail material made by the builder is correct.

However, grade 316 SS nails should be installed using a high quality tool steel hammer to ensure that there is no smearing of carbon steel onto the heads of the nails during installation.

Using an ordinary carbon steel hammer to install SS nails can result in slight galvanic corrosion on the SS nail heads in a corrosive marine environment.

The corrosive reaction could produce unsightly red rust on the SS nail head surfaces.

Note that it is not advisable to use

grade 410 SS nails or grade 304 SS nails for installation of timber cladding's in a severe marine environment.

