

Tharisa sees strong chrome demand from China despite Covid curbs

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12 Oct 2022

Tharisa continues to see strong demand from China for its chrome, despite Covid-19 lockdowns and a real estate crisis in the latter that have dimmed the outlook for steel, chief executive Phoevos Pouroulis said on Tuesday, 11 October.



Richards Bay Coal Terminal. 2018. Source: Reuters/Tanisha Heiberg

South Africa is the world's biggest producer of chrome, an essential ingredient in the manufacture of stainless steel.

"When we look at the demand throughout the period of Covid-19 and lockdowns, it's been very robust. We look at Chinese port stocks as a key measure of the supply and demand balance and that has been at relatively low levels," Pouroulis told Reuters.

On Tuesday, Tharisa reported a 5.1% increase in chrome production to 1.583 million tonnes in the year through 30 September from 1.506 million tonnes a year earlier. Platinum group metal output was 13.6% higher at 179,200 ounces, from 157,800 ounces the previous year.

Pouroulis said an ongoing strike at freight rail and port operator Transnet had not yet impacted Tharisa, although this could change if the industrial action dragged on.



Transnet strike to hit production and exports, says Kumba Iron Ore

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Transnet force majeure

Transnet declared force majeure last week after its workers went on strike demanding a wage increase. Before the strike, the state-owned freight rail operator was operating below capacity because of a shortage of locomotives, poor maintenance, vandalism and theft of its infrastructure, costing miners billions of rand in potential export revenue.

Tharisa, like most of South African chrome producers, now uses trucks instead of trains to transport 80% of its chrome to port, a shift seen over the past two years due to Transnet's poor performance, Pouroulis said.

"Historically, it was the other way around. Two years ago, it was 80% rail and 20% road. Unfortunately, we're putting more trucks on the road, but it's a necessity to export and move product to end-users," Pouroulis told Reuters.

Miners Thungela Resources, Kumba Iron Ore and Jupiter Mines have warned that the Transnet strike could impact coal, iron ore and manganese production and exports.

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