

IMnI EPD WORKSHOP & BANQUET LUNCH
13 September 2009, Chongqing

Opening address by Buks Botes, EPD Committee Chairman

Good morning ladies and gentlemen.

A warm welcome to everyone present. Thank you for attending today's workshop by the Electrolytic Products Division (the EPD) of the International Manganese Institute (the IMnI). A special thank you to Mr. Tan Zhuzhong for accepting the IMnI's proposal to host today's workshop directly after yesterday's "Manganese Products & Technology Seminar". Also welcome to the new vice-chairman of the EPD Committee, Mr Li Weijian, of Citic Dameng. Welcome and thank you to Anne Tremblay and Mark Camaj from the IMnI office in Paris and Li Yongzhi from its China office. A special welcome to the non-members who are present here by invitation. The event is hosted solely for your benefit and you are indeed the guests of honour today.

The reason for this event is very simple to explain:

The IMnI represents most of the big players in the global manganese industry. The EPD was specifically created within the IMnI to bring together the producers of Electrolytic Products, namely manganese metal and manganese dioxide, for the purposes I will refer to shortly.

For many years, the EPD had made various attempts to engage with the Chinese producers of these materials, in order to bring them in as members of the IMnI. The attempts were not very successful. Currently the EPD consists of members from Japan, Africa and Europe, but only one Chinese company is a member, being Citic Dameng.

The EPD would like to increase the number of its Chinese members because the objectives of the EPD cannot be fully achieved without a strong representation from the Chinese producers.

The purpose of today's workshop is to invite each of the companies present here, to join the EPD. We consider your companies as significant players in the Chinese industry. We know that with your support, the EPD can develop into an even more relevant and active industry association.

The purpose of the EPD Committee is to represent its member companies and create a forum where general industry news can be distributed, best practice in terms of sustainability can be shared, and technology to achieve efficiencies and compliance to regulation can be developed and improved.

Anne and Mark will explain to you in detail the value that lies in being a member of the EPD and the various services offered by the IMnI. The second presentation will focus on the use of high grade Mn ore. The third and final presentation will cover a number of areas of common interest where technology and best practise can be shared.

But before I hand over to them, I would like you to consider by how much regulation has increased in the past number of years:

In the past, it was possible to smoke a cigarette wherever you wanted. Then smoking in aircraft was forbidden, followed by airports, busses, shopping malls, restaurants and in some countries, smoking is not allowed in any public places any more.

Another example is the increased control over the Chinese construction industry. Noise and dust generation must be prevented, therefore raw materials and soil must now be covered during transportation, and building construction in a city is not allowed at night.

Closer to home we have many examples of increased legislation on the EMM industry:

- The "EP Storm" of August 2005 triggered an increased focus on environmental protection in the Mn Triangle.
- The second revision of the EMM Industry Admittance Conditions came into effect in March 2008.
- A Pollution Control Conference was held by the Ministry of Environmental Protection in Xiushan in June this year. Following this event, additional environmental protection measures must be implemented before the end of December.

- And although not in the EMM or EMD industries, the recent lead poisoning of children due apparently to the operations of a manganese smelter in Wugang city, Hunan province, resulted in rapid response from the government. Two company officials have actually been arrested and the factory has been formally shut down. The increased awareness of the local population to pollution has been clearly demonstrated. Obviously all of us want to know that our factories will not be the cause of a similar incident.

The operating environment for EMM and EMD producers is going to be equally impacted far as legislation and compliance are concerned. You are going to have to accept increased intervention by government in your affairs. Increased regulation from governments is being applied to industry worldwide. Legislation regarding environment, employee safety, human rights, corporate governance, carbon emissions etc. is increasing in all countries, from a low to a high level of control.

Due to China's rapid rate of economic development and reform, the rate of implementation of legislation might have been slow. But, we can be sure that regulation and enforcement will increase rapidly as China moves to sustainability of its economy and its natural resources. Additional regulations will also continuously be added as the standard of living increases in China. With higher income and higher expectations, the Chinese people will in future be the driving force behind increased regulation. This is already happening in Europe - consider for example the REACH legislation.

To meet the challenges posed by increased levels of regulation requires additional effort by industry. Clever technology must be employed and companies must be prepared. I repeat: the intention of the EPD Committee is primarily to assist its members in matters related to sustainability and regulation. Members can learn from each other and improve efficiency. It is not possible for each company to develop solutions to all the new regulations on an individual basis.

The saying that there is strength in numbers is very true. A strong industry body can better engage with governments on issues such as smuggling of manganese metal or anti-dumping duties on EMD. The EPD Committee can speak as one voice for its members when government proposes laws and regulations that will impact on the industry. When research or development is required to further the use and consumption of EMM or EMD, there is a means by which the costs thereof can legitimately be shared by the member companies. The reputation of the whole manganese industry can be defended from a forum where all members comply with minimum standards and more.

China has emerged into the international arena as a significant force in the business world. The presence of China is being seen and felt in more and more ways as we, on the outside of China, start driving Chinese cars, use Chinese laptops and teach our children the Chinese language in schools.

The world is expecting, and is calling on China to play a leading role in areas where it has a significant presence. The same applies to associations and bodies like the IMnI. You are part of this industry - please make your presence known by participating. It is your responsibility to participate and so strengthen the ability of your companies to be sustainable, given today's and tomorrow's playing field.

I ask you to listen to the presentations from the next speakers with an open mind. Ask yourself the question: why is my company not yet a part of this organisation?

We will have a session for open discussion after the three presentations have been made.

Thank you very much.

I now hand over to Anne and Mark from the Paris office of the IMnI.