



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2926

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Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition:

What incentives has he proposed to encourage the scrap industry to pursue strict regulation of scrap metal and scrap metal sales and exports? NW3552E

REPLY:

1. To address the theft of metal and copper cable from public and private infrastructure:
 - (a) The policy proposals regarding waste scrap metal, as published on August 5, 2022 make a range of proposals to regulate the domestic scrap industry's trade and allow for better monitoring and enforcement of these measures. These include: a potential six month prohibition on scrap exports; a permit system for exports of semi-finished metal products; a permit system for imports of waste and scrap transformation machines; a metal trade task force; new regulations under existing legislation making compliance, monitoring and enforcement streamlined and more efficient for law enforcement; a strict licensing regime; input-output reporting (enhanced registration requirements for trade in the sector); potential blacklisting of non-compliant traders; restriction of the border posts through which scrap can be exported, and a potential shift to a cashless transaction regime. After the public comment review period (current in process) Cabinet will be presented with a memorandum on the final proposals.

(b) Currently, the Second Hand Goods Act (and its Regulations) together with the Critical Infrastructure Act and the National Management Laws Amendment Act form the primary basis for the domestic regulation of the waste and scrap metal sector. Consideration is being given to potentially drafting new overarching Metal Trade legislation (as per the policy proposals published).

2. To address the requirement for domestic availability of scrap as an input for foundries and steel mini-mills: **the dtic** has implemented a measure, in the form of the Price Preference System, to discourage the export of waste and scrap metal (National Treasury has implemented an export tax).

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