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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4717

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

Whether he has found that the department's proposal to ban trade in scrap metal in efforts to counter the effects and damage in public infrastructure would not affect the Republic's attempts to transform towards a dynamic industrial and globally competitive economy and restrict the Republic's participation in the global economy to strengthen economic development and promote competition; if not, what is the position in this regard; if so, what are the relevant details? NW5840E

REPLY:

The rationale of the measures on scrap metal are set out in the published notices available at:

- www.gpwonline.co.za Gazette No 47627

- www.gpwonline.co.za Gazette No 47202

As would be evident from the above, the purpose of the measures is to counter and disrupt the criminal syndicates who cause very serious damage to the economy that undermines efforts to transform towards a dynamic industrial and globally competitive economy, service the needs of citizens and create jobs.

The theft of public infrastructure for resale as scrap metal causes more than R47 billion damage annually to the economy. To address this worsening problem Cabinet on 16

November 2022, considered and approved certain targeted measures as part of a comprehensive package of measures to address the damage caused.

Prior to Cabinet's approval of the measures, an earlier draft was published containing specific recommendations. Over two thousand eight hundred comments were received on the draft policy from across society, including business, industrial associations, organised labour, State Owned Enterprises (SOEs), Government departments, and individuals. Extensive comments were received from stakeholders within the metal sector, the mining sector, downstream manufacturing, and other parts of the economy.

South Africa has an extensive network of electricity and Telkom cables, rail tracks and rail cables, and municipal infrastructure such as traffic lights and drain covers. It is practically impossible to police this entire infrastructure, all of the time. The measures approved by Cabinet, therefore sought to reduce the demand for scrap metal from the lucrative global market, while simultaneously disrupting criminals' transport and logistics networks.

The implementation of these and any future measures will enable South Africa to have better monitoring and oversight of metals products exported and domestic metals value-chain, while at the same time directly constraining the theft and damage of public metal infrastructure for onwards sale as waste and scrap.

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