

Steel Stakeholders Parliamentary Meeting

Metal Recyclers Association

4 June 2025

Attending the presentation:

Mr. Donald MacKay (XA)

Ms. Wongani Msiska (XA)

Mr. Quintin Starkey (MRA)

The Metal Recyclers Association (**MRA**)
73 members who manage **70%**
Africa's scrap metal volume.

The steel master plan deliberately excluded
recycler associations, but included the steel
consumers, resulting in policies which do
harm the recycling and scrap generating

5 of the 83 pages of the Steel Master Plan deals with scrap metal, but
recyclers have no representation on the committee?

The working group operated **under claim of**
confidentiality enabling vested interests to
lobby for policies that benefitted them at the
expense of other industries.

"The Amended Export Control Guidelines on the Export of Ferrous and Non-ferrous Waste and Scrap as contained in Government Gazette Number 43765, Notice 532 of 2019, dated 1 October 2020 are herewith extended and will remain in force in accordance with the Minister's Policy Directive, until 31 December 2021 or the date on which the export duty/tax on the exportation of scrap metal is fully implemented that is higher than 0 % (zero percent), as approved by Parliament, whichever date comes first."

- Government Gazette, 24 December 2020

The promise made was that export duties would replace PPS.

The reality is that the Working Group requested the Minister to have export duties

"The working group has recommended to the Minister that the Policy Directive be extended for a further long-term period to provide policy certainty for the beneficiation industry.

Following the recommendation from the working group on scrap metal... considering extending the Policy Directive for a further period of two years, the export tax and to enable consideration of the implication of having both... support the availability of affordable scrap metal for the domestic consumer.

- Government Gazette, 25 June 2021

The members of Working Group:

- Umeesha Naidoo (DTIC)
- Marius Collins (ITAC)
- Doron Barnes (Scaw Metals)
- Sibusiso Maphatiane (Naledi Foundry Operations)
- Andrea Moz (Auto Industrial Group)
- Marius Croucamp (Solidarity)
- Harry Kassel (Reclam Group)

It is not clear why both ITAC and the DTIC were part of a secret lo

How can the scrap generators and re expect to receive fair treatment if the administrators are directly lobbying a their interests?

Section 7(2)(b) of the ITAA notes

"The Commission must be impartial and must perform without fear, favour or prejudice"

The scrap metal generators and recyclers
benefits which are transferred to the scrap
consumers

Sources of support for scrap consuming companies



Price Preference System

Forced discount to local consumers

R8.5 billion per annum on steel



Export duties

20% to 30% export tax paid on scrap metal with no local demand

R463 million per annum (**R339 million** on ferrous)



Friendly

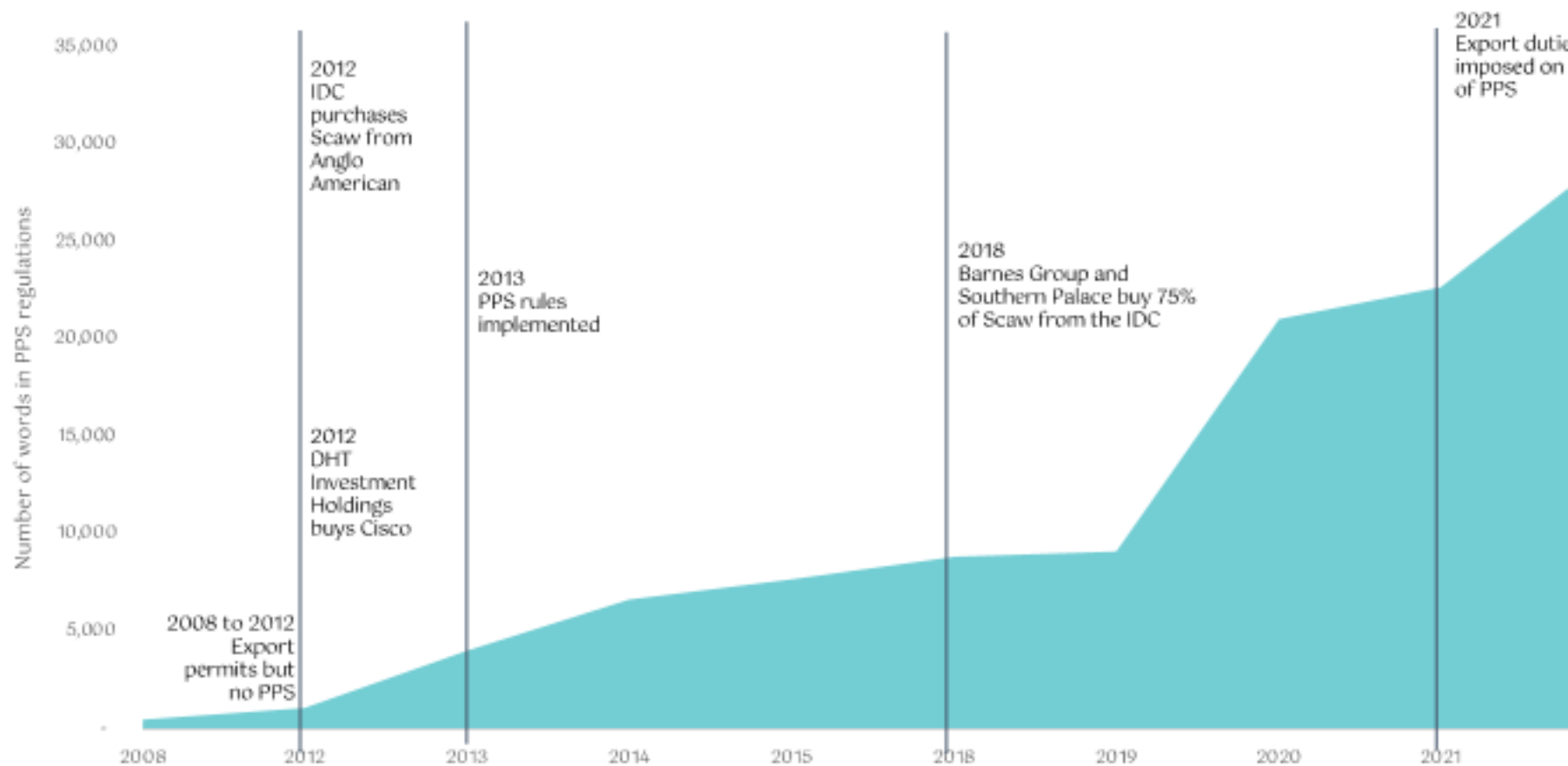
IDC capital investment processing

R14 bil
R2 billion

PPS and export duties shift value from the labour-intensive part of the industry (fabricators and recyclers) to the capital-intensive part of the sector (mini n

Permits delays force scrap yards to hold longer, exposing them to price volatility, rate fluctuations, and **cash flow challenges**

The regulations for PPS become more onerous as significant investment in mini-mills occurs



On 3 May 2024, a large Gauteng-based mill put out a notice to its scrap metal saying

- The delivered grade should conform to the ISRI [Institute of Scrap Recycling Industries] specification, if the material does not conform to the ISRI specification:
- The supplier may contact on site suppliers (TMS or Renico) to reload their offloaders, the cost will be for the suppliers account, contact details to be provided.
- **A handling, offloading and weighbridge fee of R1,000/mt will be payable to the truck leaving XXXXXX premises.**

Recommendations

Replace PPS with export duties
originally promised

Stop putting money into prod
more steel (mini-mills) when
too much steel in the market

From January 2025 to April 2025, **395 7** ferrous billets and ingots approved for export by ITAC

The master plan has **created an arbitrage**, where the generators transfer R8.5 billion to the mini-mills who then create basic billet and export this without paying an export duty.

Stop moving value from the l
intensive part of the sector to
intensive part of the sector

Fair representation on the map plan oversight committee

The full value chain should be represented, and association rather than
should be doing the representing

Thank you