



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1933

Mr T M Langa (IFP) to ask the Minister of Trade, Industry and Competition:

- (1) Given that the steel manufacturing sector in the Republic is currently facing significant challenges (details furnished), which have led to job losses, plant closures and increasing concerns about the sustainability and competitiveness of the industry, what steps has his department taken to support the recovery and long-term sustainability of the domestic steel manufacturing sector;
- (2) how is his department engaging with stakeholders, including (a) industry players and (b) labour unions, to (i) address job losses and (ii) ensure the protection of existing manufacturing capacity;
- (3) what specific plans are in place to (a) support steel manufacturing plants in regions most affected by recent disruptions, such as (i) KwaZulu-Natal and (ii) Gauteng and (b) attract investment into the strategic sector? NW2242E

REPLY:

- (1) **the dtic** has been working on packages to save AMSA and the broader South Africa steel industry. This includes the review of additional trade measures, public procurement to scale up demand and addressing the cost of electricity supply and logistics. Since the adoption of the steel and metal fabrication Master Plan, more than 25 trade measures (ranging from import tariffs; to safeguard and anti-dumping duties) have been implemented to support and protect local industry, with the majority mainly targeting the downstream value-added products. **the dtic** is working in close collaboration with Eskom and the IDC to ensure that the local capacity is geared to support the transmission network expansion. Some of the

strategic work undertaken includes the National Transmission Company South Africa's (NTCSA's) signing long-term agreements with 19 local companies in the various categories of overhead line construction panels i.e., Engineering, Procurement and Construction (EPC), Procurement and Construction (PC). In addition, local companies have been rolled onto the Transmission High Voltage (HV) Line Construction Incubation Programme to address any production and supply gaps in preparation for the future procurement. Transnet is working on a strategic procurement programme to phase-in the investments and the localisation across all rail sizes and specifications required on the network.

- (2) Through the implementation of the Steel Master Plan, **the dtic** has been working with business and labour in supporting the steel industry, particularly protecting and improving the installed industrial capacity across the value chain. The Masterplan focuses on making interventions and improving efficiencies in the - strategic, regulatory, technological, operational elements of the industry.
- (3) Through the Steel Master Plan, the Government is committed to supporting the steel industry by facilitating investments in technological improvements in steel manufacturing. The Government intervened and averted the closure of the AMSA's Newcastle long steel plant, thus saving an estimated 3500 direct jobs and 80 000 indirect jobs across the value chain. The IDC is an investor in some of the steel mini mills located in Gauteng. Furthermore, the IDC will soon launch a UNIDO backed decarbonisation fund of approximately Euros 25 million for the steel industry. The fund will provide both grant and concessionary loans facilities to assist the industry's transition to low carbon production. Such investments will create a competitive, dynamic and inclusive sector that provides a stable platform for growth and job creation.

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