the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2983

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

Given that the Steel Master Plan remains a central industrial policy instrument and the annual report of his department notes a loss of 3 772 jobs in the steel sector between 1 March and 30 June 2024, what (a) immediate support and corrective actions have been taken to stabilise the long steel value chain, (b) steps have been taken to protect remaining jobs and (c) measures are in place to prevent further deindustrialisation? NW3097E

REPLY:

The Steel Master Plan remains the principal framework through which Government coordinates interventions aimed at stabilising, strengthening and rebuilding the domestic steel value chain.

the dtic is concerned by the contraction taking place within segments of the steel industry and the associated job losses experienced in recent years. These challenges are driven by a combination of structural factors including weak domestic demand, high electricity and logistics costs, increasing import pressures, global steel overcapacity and operational constraints affecting key upstream producers.

a) **the dtic** has implemented a range of interventions through the Steel Master Plan framework to support the long steel value chain and preserve strategic industrial capacity. These interventions include:

- Financial support through the IDC to facilitate to preserve primary long steelmaking capability within South Africa including mandating negotiations for the acquisition of AMSA.

- The implementation of trade policy interventions through the International Trade Administration Commission (ITAC), including tariff reviews, safeguard measures and imposition of anti-dumping duties aimed at addressing import surges and unfair trade practices that undermine domestic producers.

- Ongoing engagements with the Department of Electricity and Energy (DEE), Eskom and other stakeholders, regarding electricity pricing pressures facing energy intensive manufacturing industries including support measures under the Negotiated Pricing Agreement (NPA) framework.

- Continued enforcement of localisation and designation policies to increase the utilisation of locally produced steel products in public infrastructure programmes and strategic procurement initiatives.

b) **the dtic** recognises the steel sector as a strategic backbone industry supporting mining, construction, automotive, rail, energy, manufacturing and infrastructure development. In this regard, several interventions have been pursued to protect remaining industrial employment, including:

- Facilitating social compact engagements between government, business and organised labour through NEDLAC to minimise retrenchments and preserve productive industrial capacity.

- Provision of IDC support for operational recovery and restructuring initiatives at distressed steel and ferroalloy operations where economically viable, with aim of retaining employment and sustaining industrial activity.

- Engagements with the Department of Employment and Labour regarding the utilisation of Temporary Employment Relief Scheme (TERS) support for distressed companies.

c) **the dtic** and its partners continue to implement both immediate and longer-term structural interventions aimed at preventing further deindustrialisation and restoring industrial competitiveness within the steel sector. These measures include:

- The continued implementation and refinement of the Steel Master Plan as the flagship industrial framework for the revitalisation of the steel and metal fabrication value chains.

- Advancing localisation within public infrastructure programme to deepen domestic manufacturing capability and reduce dependence on imported steel products.

- Strengthening trade enforcement mechanisms and tariff instruments to address unfair trade practices, illegal imports and market distortions affecting local industry.

- Supporting industrial energy reforms, infrastructure investment and logistics improvements to reduce structural cost pressures on manufacturers.

- Collaboration with Transnet and logistics stakeholders to address rail, port and freight inefficiencies in order to improve the cost competitiveness of domestic steel producers.

- Promoting investment into green steel, beneficiation, recycling, electric arc furnace technologies and low carbon industrial processes to position South Africa competitively within emerging global steel markets.

- Advancing collaboration with industry stakeholders on long term sustainability, industrial competitiveness, decarbonisation and regional value chain development under the African Continental Free Trade Area (AfCFTA).

- Support for sector wide coordination under the Steel Master Plan to strengthen demand aggregation, industrial planning, localisation, investment coordination and overall value chain resilience.

the dtic is committed to the preserving of strategic steelmaking capability in South Africa as a matter of industrial sovereignty, economic resilience, employment protection and long-term industrial development. While the sector continues to face significant structural challenges, interventions under the Steel Master Plan remain focused on stabilising the industry, retaining productive industrial capacity and positioning the domestic steel industry for future recovery and sustained growth.

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