



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 446

Mr S S Zondo (IFP) to ask the Minister of Trade, Industry and Competition:

- (1) (a) How will he ensure that the steel industry benefit from the procurement opportunities, especially in light of the challenges of ArcelorMittal South Africa and (b) what actions have been taken to improve local demand for locally produced steel;
- (2) how will his department (a) encourage investment in the steel industry, particularly in low-carbon technologies and (b) ensure that South African steel manufacturers remain competitive internationally? NW465E

REPLY:

- (1) **the dtic** is working on packages to save AMSA and the steel industry broadly. 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; 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 Department 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 including the National Transmission Company South Africa's (NTCSA's) signing of 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) The Government is looking at supporting the steel industry, particularly the installed industrial capacity, which includes the protection of affected industries within the value chain; such as - strategic, financial, regulatory, technological, operational and regulatory considerations.

Through the implementation of the Steel Master Plan, the Government is committed to support the steel industry to move forward; including facilitating investments in direct reduced iron and electric arc furnaces in the manufacturing of steel. 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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