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

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4956

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

In light of the repeated concerns raised by industry stakeholders regarding a disconnect between his department and the steel sector, (a) what concrete steps has he taken to ensure sustained and structured engagement and alignment between the Government and the full value chain of the steel industry and (b) how does his department intend to address the siloed implementation of the Steel Master Plan, especially where state-owned enterprises and relevant departments are not aligned with its objectives? NO5544E

REPLY:

(a)&(b)
In June 2025, the Portfolio Committee (PC) held an industry workshop to review the Steel Masterplan implementation and concluded while implementation of the plan was sub optimal, there was evidence the plan had helped preserve capability that could have been lost.

The PC directed **the dtic** and the stakeholders to convene a steel indaba at a time when the policy review work was completed and a future steel industry be defined. We envisage this to take place in the last quarter of 2025.

In the interim, the following are some of the ongoing key interventions to support the value chain to perverse the industrial capacity and jobs:

1. On the steel tariff, Price Preference System (PPS) and scrap export tax reviews, Government continues to consult widely and has invited all role-players in the steel value chain to participate and submit their respective positions.

- Following the public consultation process initiated in March 2025, the ITAC published in August 2025, the first set of preliminary determinations from the broader steel products review. The publication provides details on various tariff lines where custom duties are proposed to increase to the maximum bound rates; rebate provisions to be created to allow for importation of intermediate inputs in areas where SA does not have a capacity to locally manufacture; tariff lines to be subjected to import controls as well as inputs used in steel-making to be maintained at free of duty. Industry is given up to September 2025 to comment and thereafter the final determinations will be made.
- In addition to the steel review, a number of trade interventions (tariffs; trade remedies and rebates) have been implemented to support local installed industrial capacity and jobs both up and downstream. Through this process, industry has also signed on reciprocal commitments towards *improved industries' overall competitiveness; increased productive capacity; investments; retaining and creating jobs; enhancement skills development.*
- Following the directive from the department, ITAC initiated a review on the discount on ferrous scrap under the PPS. The window for industry's inputs closed in May 2025. It is envisaged that the Commission will conclude this work in earnest and submit the recommendations for implementation in the next 2 months.

This is evidence of the transparency and inclusiveness on the part of Government to solicit the views of all stakeholders before final decisions are made. State-Owned Companies (SOCs) have also been consulted on the various steel policy reviews to inform Government's position. This will remain work in progress as more consultations are held to find consensus on localisation imperatives as well as combating the scourge of circumvention and illicit trade in the sector.

2. Addressing illicit trade requires a comprehensive, multi-pronged approach involving collaboration between governments, international organizations, and the private sector. Key strategies include strengthening enforcement mechanisms through enhanced intelligence sharing between Customs, the South African Revenue

Service (SARS), and law enforcement agencies. In this regard, the Department continues to engage with Customs and relevant stakeholders to intensify efforts aimed at curbing illicit trade.

3. As part of Operation Vulindlela, the Department continues to participate at the National Logistics Crisis Committee: Work stream 5 dealing with Procurement. The workstream's focus is to improve efficiencies in the procurement process and addressing challenges in the procurement system. This advocacy work will yield positive results in prioritizing the procurement of local steel and steel products as was envisaged in the masterplan process. In as far as the awarded contracts are concerned (e.g. on wheels; rails), the department is tracking local content commitments to support our industrialisation efforts. Contracts on staged locomotives (the ones previously procured from General Electric/ Wabtec and the Chinese OEMs) are yet to be finalised. These present the biggest opportunities to localise components if Transnet includes localisation requirements as conditions.

4. Some of the critical work that needs to be prioritised by the Economic Cluster to bring cohesion and alignment with the stakeholders:

- Finalisation of the Public Procurement Regulations so that the designation of steel intensive products can be designated for local content and production. In the absence of regulations guiding procurement, the procuring entities continue to implement their supply chain policies which are not consistent with the objective to sustain and build our industrial manufacturing base.
- The state and SOCs must also adopt the strategic procurement approach, which must be based on long-term contracting will sufficient volumes, to improve investment and localisation business case. The demand from SOCs (such as Transnet, Eskom and the Water Boards) has the potential to support the struggling steel sector and halt the job bloodbath in the value chain.
- Cultivation of funding solutions and the structuring thereof for the large infrastructure programmes is critical to unlocking procurement, localisation, reducing import content, supplier development and the transformation of SA manufacturing base.

5. Industrial funding: Downstream Steel Industry Competitiveness and Development Fun is a concessional funding administered by the Industrial Development

Corporation (IDC) to support critical industry projects, upgrade infrastructure, introduce innovative production methods, and raise competitiveness. This Fund is in addition to the IDC's own on balance sheet funding.

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