



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 6875

Mr M M Mdluli (DA) to ask the Minister of Trade, Industry and Competition:

Given the collapse of the R8,5 billion Industrial Development Corporation and ArcelorMittal South Africa takeover talks, which has left the Newcastle Works closed and hundreds of workers in limbo, what concrete steps has he taken to (a) secure the future of long steel production in the Republic and (b) prevent further job losses and/or industrial decline in towns that depend on steel production such as Newcastle and Vereeniging? NO7688E

REPLY:

The closure of the Newcastle Works was implemented by ArcelorMittal South Africa because it was not economically viable, and was not a result of the failure to conclude any takeover in this regard; -

- a) **the dtic** and the IDC are administering a process of interested parties, willing to take over parts of the AMSA business including Newcastle and Vereeniging mills. This is aimed at avoiding full decommissioning of plant and equipment and to secure the future of long steel production in South Africa. **the dtic** together with industry and labour are working towards the formulation of a steel roadmap that will inform how South Africa will revive, reshape and grow the steel industry over the next decade and beyond.
- b) the aforementioned engagements include alternatives for the Newcastle and Vereeniging operations aligned to global technological developments. The future of long steel production is in mini mills powered by Electric Arc Furnaces often with

renewable energy. Additionally, **the dtic** and IDC are considering and assessing various projects in other sectors to mitigate the economic impact of the plant closures on the affected towns.

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