



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO: 979

**Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:**

- 1) Regarding the financial support to ArcelorMittal South Africa (AMSA) by the Industrial Development Corporation, (a) what is the total amount of the bailout in Rand and (b) are the terms of the bailout, including the interest rate and repayment schedule;
- 2) whether the bailout is expected to be followed by additional financial support for AMSA; if not, what is the position in this regard; if so, over what time frame;
- 3) what (a) measures is he implementing to secure the long-term viability of the Republic's primary steel sector and (b) total number of (i) direct and (ii) indirect jobs will be preserved as a result of the bailout? NW1084E

#### REPLY:

- 1) **the dtic**, the IDC and other relevant government institutions, have been in constant engagements with AMSA stakeholders to explore initiatives and interventions aimed at saving and/or mitigating the impact of the closure of AMSA Longs business. The interventions are not meant to bail out AMSA *per se* but are aimed at providing solutions to protect the steel industry in South Africa, particularly the installed industrial capacity.

In June 2024, the IDC provided AMSA with R1.0 billion Working Capital Facility. AMSA has repaid R100 million, and the balance is repayable by the end of September 2026. The facility enabled AMSA to continue operating the Longs business, allowing time to progress various initiatives with the government.

An additional shareholder loan of R380m was provided in February 2025 to delay the Longs business wind-down (initially scheduled to start by the end of January 2025) by approximately one month to enable:

- Fulfilment of the higher than anticipated outstanding order book, prioritising automotive and other customers;
- Continuing discussions with the SA Government and other stakeholders on the future of the Longs business.

In March 2025, the IDC provided an additional facility amounting to R1.683 billion; which is repayable by agreement between the parties and subject to the financial performance, solvency and liquidity of Longs business.

The Company has also received a Temporary Employee Relief Scheme ("TERS") grant to assist in funding employee costs and has undertaken to apply any TERS funding received in respect of employee costs relating to the Longs Business, which will reduce the draw down required against the IDC facility.

- 2) These interventions are part of a comprehensive package of intended initiatives aimed at positioning the Longs steel business for future sustainability and profitability in South Africa.

The government will use the Deferral Period (April -August 2025) to urgently address the structural problems previously identified including:

- (a) Preference Pricing System and scrap export tax
- (b) Safeguards on Steel products
- (c) Electricity and Rail tariffs review

Similarly, AMSA will continue operations under a recovery plan; which will focus on implementing further improvements to optimise the Longs Business operations, enhance product offering and supply chain reliability for customers, and advance its commitment to localisation.

- 3) The steel industry is critical in the reconstruction and recovery plan for the South African economy, particularly, the manufacturing, mining, construction, engineering, and transportation sectors, which are at the centre of the industrialisation, localisation and beneficiation programmes. Failure to intervene in the closure of AMSA's longs business plant in Newcastle would have resulted in an estimated direct job loss of close to 3500 and indirect jobs of around 8000 in the steel value chain.

As indicated, the government is looking at protecting the steel industry, particularly the installed industrial capacity this includes the protection of affected industries within the value chain. These include financial, strategic, operational and regulatory initiatives.

Through the implementation of the Steel Masterplan, the government is committed to support the steel industry to move forward, focusing of the core objective of creating a competitive, dynamic and inclusive sector that provides a stable platform for investment, growth, and job creation.

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