

## Pact to support steel sector

PRETORIA: Government is working closely with stakeholders in the steel sector to secure an agreement to support the country's primary steel production capabilities.



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The Department of Trade and Industry (dti) said the steel crisis is as a result of the global recession and excess capacity and supply.

“Following due process involving the International Trade Administration Council (ITAC), Trade and Industry Minister Rob Davies has assented to tariff increases for three steel products. Investigations into another eight product lines have been finalised and await government approval,” said the dti in a statement.

The department said a wide range of OECD [Organisation for Economic Co-operation and Development] members and developed countries have already implemented similar tariff protection measures.

“It is extremely important that tariff protection measures for primary steel producers do not result in higher steel prices being passed on to downstream, steel intensive manufacturing sectors. These sectors are labour intensive and any measures, which might erode the competitiveness of secondary steel intensive manufacturers, must be avoided.

“It is for this reason that government is carefully weighing up the basket of measures and is consulting widely with all

stakeholders, the downstream users included,” said the dti.

Minister Davies, Economic Development Minister Ebrahim Patel and senior officials of both departments held extensive talks with executives of Arcelor-Mittal South Africa (AMSA) and senior executives of the company at the recent World Economic Forum in Davos.

A meeting was held in October 2015 with all primary steel producers, downstream manufacturers, industry associations and labour. Another meeting will be convened by government to finalise the measures proposed by government.

These measures are designed to secure the primary steel producers, safeguard downstream users and protect employment across the entire steel value chain.

“Government is confident that an agreement will be reached. Once the final agreement is reached, an announcement setting out the measures to be adopted, together with those already implemented, will be made,” said the department.

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