

Final report on iron ore, steel endorsed

PRETORIA: Cabinet has endorsed the final report on the work of the Intra-Departmental Task Team (IDTT) on iron ore and steel, says Minister in the Presidency responsible for Performance Monitoring, Evaluation and Administration, Collins Chabane.

Briefing reporters following Cabinet's last meeting of the year on Thursday, 6 December 2012, Chabane said in keeping with prior decisions to enhance the competitiveness of the steel value chain, Cabinet endorsed the final report on the work of the IDTT and the recommendations contained in the report for urgent implementation.

He said there had been a lot of debate and interaction between the Departments of Trade and Industry, Economic Development and steel producers and mining houses with regards to the pricing of steel.

In August 2010, the dti announced the formation of a task team to make recommendations into the viability of local steel production. This as it had expressed concern about the high price of steel in the South African economy.

"Within the context of the beneficiation programme where the government is emphasising and wanting to expand the beneficiation of South African mineral products as it is one of the critical aspects," said Chabane.

Among the recommendations of the task team are the amendments to the Competition Act and the introduction of export taxes on iron ore and steel where appropriate. The recommendations also include the promotion of new steel investments and prioritisation of electricity available and connections to such investments.

"Government would want, among other things, to expand the number of participants in terms of those who are producing steel as part of the reason to introduce new competition. Secondly [we] also want to take measures which are going to contain the expansion of prices of steel countrywide in order to stimulate the domestic production of various products which need to be processed in the country.

"The government is going to take several steps with regards to that in order to lower the price for domestic consumption and to redirect the steel products to provide for the South African economy," explained Chabane.

He further added that the Industrial Development Corporation (IDC) will have to play a greater role in the industrialisation of the country through being involved in manufacturing as well as beneficiation.

State owned enterprises would also be expected to invest directly into the South African economy.

For more, visit: <https://www.bizcommunity.com>