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DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6122

14 April 2025

**TRADE POLICY DIRECTIVE ISSUED IN TERMS OF SECTION 5 OF THE
INTERNATIONAL TRADE ADMINISTRATION ACT, 2002 ON THE EXPORTATION OF
FERROUS AND NON-FERROUS WASTE AND SCRAP METAL**

I, Mpho Parks Tau, Minister of Trade, Industry and Competition ("**the Minister**"), issue the following trade policy directive in terms of section of the International Trade Administration Act, 2002 (Act No. 71 of 2002) ("**the Act**").

1. BACKGROUND

- 1.1 On 10 February 2012, the then Minister of Economic Development, acting in terms of section 6 of the Act, issued Notice No. R.92 in Government Gazette No. 35007, as amended from time to time ("Export Control Notice"), which prescribes *inter alia* that certain goods including ferrous and non-ferrous waste and scrap metal shall not be exported from the Republic of South Africa except by virtue of an export permit issued by the International Trade Administration Commission of South Africa ("ITAC") in terms of Section 6 of the Act, and in which such goods are specifically described.
- 1.2 On 10 May 2013 the Minister of Economic Development issued a Trade Policy Directive to ITAC in terms of section 5 of the Act under Notice No. 470 in Government Gazette No. 36451 ("**Policy Directive**") directing ITAC to exercise its powers under the Act to regulate the exportation of ferrous and non-ferrous waste and scrap metal ("**scrap metal**") in accordance with the policy contained therein.
- 1.3 The objectives of the Directive are *inter alia* to regulate exports so as to ensure an affordable supply of quality scrap metal, an essential material to the domestic processing industry, to safeguard employment and to maintain and increase industrial capacity to promote infrastructure development.
- 1.4 Pursuant to the Directive, ITAC established a price preference system ("**PPS**"). In terms of the PPS, ITAC will not permit the exportation of certain scrap metal guidelines unless, amongst others, it has first been offered for sale for domestic beneficiation to the domestic consuming industry at a price discount to an international benchmark price ("**the discount**").
- 1.5 The administrative aspects of the PPS are set out in the Guidelines ("**the Guidelines**"), initially published in Notice No. R.1012, in Government Gazette No. 41940 of 28 September 2018. The Guidelines, including in relation to the level (percentage) of the

discount on ferrous scrap, have been amended from time to time to address issues arising from the administration of the PPS and domestic considerations.

- 1.6 Additional domestic considerations have arisen, among them challenges in the integrated steel value chain, which many are alleging have been occasioned, in part, by the functioning PPS and in particular, the level of discount on scrap feedstock material,² afforded to domestic consumers of scrap metal.

2. POLICY DIRECTIVE AND NOTICE

- 2.1 The Minister hereby issues a Trade Policy Directive, in terms of section 5 of the Act, that ITAC shall exercise its authority under the Act to investigate as a matter of urgency whether, in light of alleged challenges being faced by the integrated steel value chain, and any other relevant considerations, the current level of the PPS discount on ferrous scrap (at 30%) requires modification.
- 2.2 The focus of ITAC investigation will be on the PPS discount on ferrous scrap (at 30%) alone and keeping all other export control elements under the PPS the same
- 2.3 In alignment with our commitment to transparency and stakeholder engagement, the process should ensure that all affected stakeholders, including industry representatives, trade bodies, and the general public, are provided an opportunity to submit their comments and concerns.
- 2.4 Further, subsequent to the conclusion of the investigation, ITAC should, by notice in the Government Gazette, provide information on any change in the level of the discount and reasons for the modifications arrived at, following the investigation.



MR MPHOK PARKS TAU, MP

MINISTER OF TRADE, INDUSTRY AND COMPETITION

10/04/2025.