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Contents

No.		Gazette No.	Page No.
GENERAL NOTICES • ALGEMENE KENNISGEWINGS			
Trade, Industry and Competition, Department of / Handel, Nywerheid en Kompetisie, Departement van			
3186	International Trade Administration Act (71/2002) ("the Act"): International Trade Administration Commission of South Africa: The PPS discount on Ferrous Scrap	52623	3

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 3186 OF 2025

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

1. **BACKGROUND**

1.1 On 10 February 2012, the then Minister of Economic Development ("**the EDD Minister**"), acting in terms of section 6 of the International Trade Administration Act, 2002 (Act No. 71 of 2002) ("**the Act**"), issued Notice No. R.92 in Government Gazette No. 35007, as amended from time to time, which prescribes *inter alia* that certain goods including ferrous and non-ferrous waste and scrap metal may 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 Subsequently, on 10 May 2013, the EDD Minister 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 in the Directive.

1.3 The objectives of the Policy Directive are, amongst others, 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 Policy Directive, ITAC established a price preference system ("**PPS**"). In terms of the PPS, ITAC will not permit the exportation of certain scrap metal 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 discount as well as other administrative aspects of the PPS are set out in guidelines ("**the Guidelines**"), initially published in Notice No. R.1012, in Government Gazette No. 41940 of 28 September 2018.

1.6 The Guidelines have been amended from time to time. Amendments include changes to the discount level, transportation costs and other administrative matters.

2. DISCUSSION AND NOTICE

2.1 On 14 April 2025, the Minister of Trade, Industry and Competition issued a Trade Policy Directive ("the Directive") in terms of section 5 of the Act, in Notice No. 6122, in Government Gazette No. 52506 of 14 April 2025.

2.2 In the Directive, the Minister noted the challenges being alleged by the integrated steel value chain and directed ITAC to exercise its authority under the Act to –

> "investigate as a matter of urgency whether, in light of the 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". (The Directive, para. 2.1)

2.3 The Minister further noted in the Directive that the focus of ITAC's 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". (The Directive, para. 2.2)

2.4 The Minister also instructed ITAC, in alignment with the Department of Trade, Industry, and Competition's commitment to transparency and stakeholder engagement, to provide interested parties with an opportunity to "submit their comments and concerns". (The Directive, para. 2.3)

2.5 Finally, the Minister directed ITAC, subsequent to the conclusion of its investigation, to provide notice on any change in the level of discount and the reasons therefor. (The Directive, para. 2.4) This would occur only after the Commission has made a recommendation to the Minister in line with the results of its investigation and the Minister has made a decision in the matter.

2.6 In light of the Directive of the Minister and to ensure that affected stakeholders, such as industry representatives, trade bodies and the general public, have an opportunity to submit comments, ITAC is publishing this notice.

2.7 In line with the Minister's Directive, interested parties are invited to comment on whether the level of the discount for ferrous scrap metal, currently at 30%, should be amended.

2.8 To support well-informed responses, evidence and perspectives on several key areas are welcome. These include, but are not limited to –

2.8.1 The alleged challenges faced by the integrated steel value chain and how the current discount level is impacting this sector of the economy.

2.8.2 How the current level of the discount is impacting other sectors of the economy, including recyclers, foundries and mini-mills.

2.8.3 How and whether the increase in the level of the discount for ferrous scrap metal from 20% to 30% has impacted the availability of ferrous scrap metal.

2.8.4 What discount level would be more appropriate than the current 30% discount and the rationale for a different discount level.

2.9 Interested parties are encouraged to provide data, case studies, or commercial experience to substantiate their views.

Comments should be submitted within two weeks of the publication of this notice to the following official: Ms Dudu Mogale- DMogale@itac.org.za

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