
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 1799 OF 2023

REQUEST FOR COMMENTS FROM INTERESTED PARTIES ON THE PROPOSAL TO PROHIBIT THE EXPORT OF CERTAIN FERROUS AND NON-FERROUS WASTE AND SCRAP METAL AND THE TEMPORARY SUSPENSION OF THE PRICE PREFERENCE SYSTEM INsofar AS IT RELATES TO CERTAIN FERROUS AND NON-FERROUS WASTE AND SCRAP METAL FOR A FURTHER PERIOD OF NINE MONTHS

In Government Notice No. R. 2802 published in *Government Gazette* No. 47627 dated 30 November 2022, the Minister of Trade, Industry and Competition (the "Minister") published a Trade Policy Directive and Notice in terms of sections 5 and 6 respectively, of the International Trade Administration Act, 71 of 2002 (the ITA Act) (the "Trade Directive and Notice"), that:

- (i) ferrous and non-ferrous waste and scrap metal of a kind listed in the schedule to the Trade Directive and Notice ("Scrap Metal") may not be exported from the Republic of South Africa for a temporary period of six months (from 30 November 2022 to 30 May 2023), subject to certain provisos; and
- (ii) the International Trade Administration Commission of South Africa ("ITAC") shall suspend the operation of the Price Preference System for the exportation of ferrous and non-ferrous waste and scrap metal (the "PPS") insofar as it relates to Scrap Metal for a period of six months (from 30 November 2022 to 30 May 2023), subject to a certain proviso.

The Trade Directive and Notice forms part of Phase 1 of the Policy Implementation Actions on Measures to Restrict and Regulate Trade in Ferrous and Non-Ferrous Metals Waste, Scrap and Semi-Finished Ferrous and Non-Ferrous Metal Products to Limit Damage to Infrastructure and the Economy published in *Government Gazette* No. 47627 (the "Policy").

Phase 2 of the Policy includes the enhancement of the regulation of scrap metal trade through amendments to the Regulations published under the Second-Hand Goods Act, 6 of 2009, to bolster the applicable metal trading registration regime, as well as further interventions such as the limitation of ports and land borders for export of waste, scrap and semi-finished metal products.

The Policy provides that if sufficient progress had not been made in the implementation of the Phase 2 interventions and/or the extent of copper and ferrous metal theft had not been sufficiently reduced, the temporary export prohibition may be extended.

Feedback received, in particular from Transnet, Eskom and SAPS, indicates that from 30 November 2022, the theft of copper and ferrous metal has reduced but remains at very high levels and continues to cause considerable damage to the infrastructure and to the economy.

Although progress has been made in the implementation of Phase 2, it is estimated that Phase 2 will take approximately nine months to implement. Such implementation includes the development of an electronic registration and trading system, for which a service provider has been appointed.

The Minister proposes to issue a Trade Policy Directive and Notice in terms of sections 5 and 6 of the ITA Act that:

- (i) Scrap Metal may not be exported from the Republic of South Africa for a further temporary period of nine months (the "Temporary Export Prohibition"); and
- (ii) ITAC shall suspend the operation of the PPS insofar as it relates to Scrap Metal for a further temporary period of nine months or until the date on which the PPS terminates, whichever is the earlier (the "Temporary PPS Suspension").

A copy of the draft notice is attached.

If sufficient progress has not been made in the implementation of the Phase 2 interventions and/or the extent of copper and ferrous metal theft has not been sufficiently reduced, the Temporary Export Prohibition and the Temporary PPS Suspension may be extended.

The Minister requests interested parties to make submissions and/or comments on the proposal.

PROCEDURES AND TIME LIMITS

All comments and submissions must be submitted to the Director-General of Trade, Industry and Competition, marked for the attention of Mr. Mahendra Shunmoogam, either by e-mail on metalpolicy2023@thedtic.gov.za or hand delivered at 77 Meintjies Street, Block A, 1st floor, Sunnyside, Pretoria, 0002, by no later than 29 May 2023.



MR EBRAHIM PATEL
MINISTER OF TRADE, INDUSTRY AND COMPETITION