

20 June 2023

Scrap metal export ban – media statement

Gazette 11593 of 15 June 2023, notice no 48791, announced the immediate ban in the export of copper scrap metal, ferrous scrap metal and ferrous ingots, for a further period of 6 months (a previous similar ban existed 01/12/2022 – 31/05/2023), ostensibly to prevent infrastructure theft.

The notice specifically exempts stainless steel scrap and manufacturing sector ferrous scrap from the ban and consequently manufacturing sector derived ferrous (steel and iron) scrap metal may be exported, but only subject to passing muster in respect of the current Price Preference System, payment of a 20% export tax and very significantly, the applicant successfully convincing ITAC of the metals' origin (in itself a complex and lengthy process involving affidavits, photographs and customer supply invoices).

Ironically however, the gazette notice is silent on the subject of *copper ingots*, which are typically derived from the melting of copper scrap, which implies that the exponential growth in volume of copper ingot exports from South Africa during the past decade, will continue unabated.

The MRA is a SAPS accredited association comprising 75 members who operate 150 formal metal recycling facilities across the country, responsible for handling an estimated 80% of the nation's 3.5 million tons of scrap metal per annum.

In November 2022 the MRA advised DTIC against the then proposed similar export ban, as a blunt instrument that was unlikely to yield any benefit in respect of curbing criminal activities, but that would cause harm to legitimate scrap metal trade activities - instead, the MRA proposed a number of other measures to effectively including:

- the immediate elimination of cash as a trade medium for scrap metal transactions;
- increased policing via the establishment of specialized police units;
- the implementation of effective measures for the export of copper ingots.

No response was received from the DTIC to these inputs.

Similarly in May 2023, the MRA submitted comments to DTIC in opposition to the export ban which has now been implemented, without response.

Interestingly however, SEIFSA and Manufacturing Circle, both with substantial manufacturing sector membership, have independently opposed the export ban and United National Transport Union's (UNTU) General Secretary, stated in a 5 June 2023 radio interview, that the export ban was an ineffective tool to counter Transnet's theft problems.

[See Gazette notice - MRA comments - SEIFSA - Manufacturing Circle](#)

Footnote: trade policies PPS (2013); scrap metal export duties (2021) and various recent export bans (2020; 2022 and 2023), all serve to *transfer profit* from the scrap metal generators and the recycling sector, in favour of the domestic scrap consuming industries (mills, mini-mills and foundries), without any accountability on the latter group IRO passing on these benefits.

SAPS Accreditation No. 001/2012

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