

# MetPac-SA cautions on DTIC plans to restrict and regulate metal waste

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*“Metal products that are clearly not stolen or illegally traded infrastructure products, should be excluded from the export ban in order to protect the local collection and recycling industry.”*

METPAC-SA, the Producer Responsibility Organisation (PRO) that represents the interests of the local metal packaging recycling industry in South Africa, has responded to Government’s recently announced plans to regulate and restrict the trade of scrap metal (ferrous and non-ferrous metals waste and scrap) in an effort to limit damage to infrastructure and the economy.



Kishan Singh.

These draft policy changes announced by the Department of Trade, Industry and Competition (DTIC) are a direct outcome of President Ramaphosa's 2022 State of the Nation Address, during which he promised to tackle growing instances of criminality in the scrap metal value chain – particularly with copper theft and other metals stolen from public infrastructure.

According to Kishan Singh, CEO of MetPac-SA, the industry supports taking such a proactive approach and commends the DTIC on the engagement of external resources as well as the quantitative studies that resulted in the draft policy proposals.

“We are concerned, however, that this well intentioned and necessary intervention may have some unintended consequences in the collection and recycling environment,” he said. As an industry body that represents roughly 80 % (by tonnage) of the metal packaging value chain in South Africa, MetPac-SA feels they are able to offer the policy makers a unique vantage point of the country's overall metal recycling scenario.

In a formal response submitted to Mahendra Shunmoogam, Director-General of the Department of Trade, Industry and Competition, MetPac-SA argued that South Africa recycles approximately 3.5 million tonnes of metal each year. Of this, the vast majority (>95%) of metal is not stolen infrastructure metal. Secondly, although the country has a very active and burgeoning metal recycling industry, it is driven by a fine sense of balance of local demand and export tonnage. Moreover, there are still several recovered metal products for which there is no local market. This includes stainless steel, zinc scrap, certain aluminium products, exotic tungsten, titanium, moly, nickel etc.

“We believe a more practical solution would be for Government to focus export restrictions exclusively on the identified, target metal items such as copper

scrap (including cable and wire); semi-finished copper products (ingot, blister, anode, cathode or granules) and railway scrap. Metal products that are clearly not stolen or illegally traded infrastructure products, such as Used Beverage Cans (UBC's), should be excluded. The collection and recovery of these items help support a circular economy driven by the honest and hard work of waste reclaimers and recyclers that help to divert waste from landfill and reduces the consumption of natural resources," Kishan says.

In South Africa, UBC's are collected by a healthy functioning metal recycling sector. Should the blanket ban on export restrictions be implemented, MetPac-SA fears that this industry could adversely be affected.

"At present the combination of both a strong local and international demand for UBC's make them one of the most valuable packaging materials currently in South Africa, with more than 70 % collected and recycled. It is therefore an extremely important contributor to the informal collection economy. Our concern is that preventing the export of UBC's would create an oversupply locally. In the absence of creating more local demand, the local price for these products would drop significantly – thereby undermining local collection and marginalizing an estimated 30 000 informal waste pickers in SA. For this reason, we are urging Government to keep the doors open and to allow our industry to continue exporting its excess," Kishan concludes.

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