**THE NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**2237. Mr G K Y Cachalia (DA) to ask the Minister of Trade and Industry:**

(a) How many times did the Steel Pricing Committee meet (i) in 2017 and (ii) since 1 January 2018, (b) can he provide Mr G K Y Cachalia with a list of who was present at each meeting and (c) what were the results in terms of price increases or price decreases from each meeting?

**RESPONSE:**

1. The International Trade and Administration Commission (ITAC) Steel Committee was established in 2016 to monitor the impact of the primary steel tariff increases and evaluate the performance of the primary steel industry in terms of the commitments made for such tariff changes. (i) The committee met twice in 2017. (ii) The Committee has not met in 2018 and will only re-convene after September 2018 once new Commissioners have been appointed. The ITAC Act of 2002 requires that half the members of the Committee, be Commissioners and the current Commissioners’ terms of office end on 30 September 2018.
2. The attendees of the meetings in 2017 are given below.

| **03 March 2017** | **02 June 2017** |
| --- | --- |
| **Commissioners:**    Ms. Tanya van Meelis  Ms. Boipuso Modise | **Commissioners:**    Ms. Tanya van Meelis  Ms. Boipuso Modise  Mr. Boikanyo Mokgatle  Mr. Henk Langehoven  Mr. Eitenne Vlok |
| **Additional members:**    Mr. Paolo Trinchero (SAISC)  Mr. Tafadzwa Chibanguza (SEIFSA)  Mr. Dean Subramanian (AMSA)  Mr Johann Nel (SAISI) | **Additional members:**    Mr. Paolo Trinchero (SAISC)  Mr. Tafadzwa Chibanguza (SEIFSA)  Mr. Dean Subramanian (AMSA)  Mr. Neels van Niekerk (ISF)  Mr. Mpheane lepaku (COSATU)  Mr. Marius Croucamp (Solidarity) |
| **Invitees:**    Dr Umeesha Naidoo (DTI)  Mr. Mohammed Vawda (EDD) | **Invitees:**    Dr Umeesha Naidoo (DTI)  Mr. Mohammed Vawda (EDD) |

1. The pricing principles for flat steel produced by Arcelor Mittal South Africa (AMSA) is based on a signed agreement between AMSA and government. The agreement is based on an international basket price, on Hot Rolled Coil (HRC) as a base product, calculated using the domestic prices of steel in countries South Africa competes with in downstream steel intensive products. The price changes are influenced by movements in global prices, the exchange rate and global input costs. This basket is monitored by the **the dti** and ITAC and compliance with the basket is measured over 12 months. Compliance with the HRC basket price and AMSA’s monthly price adjustments for the period January 2017 to July 2018 is provided below:

|  |  |  |
| --- | --- | --- |
| **Month** | **HRC Basket ($/ton)** | **AMSA Base HRC Price ($/ton)** |
| 17-Jan | 627 | 638 |
| 17-Feb | 656 | 633 |
| 17-Mar | 643 | 646 |
| 17-Apr | 650 | 660 |
| 17-May | 630 | 630 |
| 17-Jun | 632 | 642 |
| 17-Jul | 625 | 673 |
| 17-Aug | 641 | 650 |
| 17-Sep | 674 | 672 |
| 17-Oct | 669 | 692 |
| 17-Nov | 668 | 680 |
| 17-Dec | 684 | 679 |
| **2017 Average** | **650** | **658** |
| 18-Jan | 718 | 658 |
| 18-Feb | 759 | 723 |
| 18-Mar | 790 | 783 |
| 18-Apr | 799 | 814 |
| 18-May | 780 | 805 |
| 18-Jun | 768 | 811 |
| 18-Jul | 764 | 827 |