

# Davies calls for cheaper resources

**SOUTH** Africa is to put pressure on steel producer Arcelor-Mittal SA and petrochemicals firm Sasol to reduce prices and help cut input costs in the steel, platinum and polymer industries by up to 15 percent.

The government is pushing to revitalise industrial capacity by encouraging companies to add value to minerals, a process known as beneficiation, before exporting them.

“We’ve got to ensure that the mineral inputs are available at a competitive price, a lower price in South Africa than it is available outside of this country,” Trade and Industry Minister Rob Davies said in Parliament this week.

“If ArcelorMittal were able to reduce current prices by 10 percent then I think that would amount to a very significant injection into industries using steel products,” he said.

A similar 10-15 percent discount for polymers at Sasol would also benefit downstream manufacturers, he added.

Competition authorities fined the petrochemicals group R543 million in June for excessively pricing its propylene and polypropylene products.

Both are key ingredients in the making of plastic buckets and motor car parts. Sasol is appealing against the fine. — Reuters

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