

Davies calls for lower material prices

THE GOVERNMENT would put pressure on steel producer ArcelorMittal South Africa and petrochemicals firm Sasol to reduce prices and help cut input costs in the steel, platinum and polymer industries by up to 15 percent, Trade and Industry Minister Rob Davies said this week. The government is pushing to revitalise industrial capacity by encouraging firms to add value to minerals 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 outside," Davies said in Parliament. "If ArcelorMittal SA were able to reduce prices by 10 percent, that would amount to a significant injection into industries using steel product." A similar discount for polymers at Sasol would benefit downstream manufacturers. Competition authorities fined Sasol R543 million in June for excessively pricing propylene and polypropylene products. Both are key ingredients in the making plastic buckets and motor car parts. Sasol is appealing against the fine. – Reuters

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