

RECOMMENDATION ENDORSED

Export tax on iron ore and steel a bid to boost local market

THE CABINET has endorsed a report recommending the introduction of export taxes on iron ore and steel, where appropriate, to push producers to sell more of their products domestically.

The government has been looking to protect local manufacturers who have been struggling to pay

export-level prices.

“The manufacturing industry has been seriously impacted by the price increases that happened globally in iron ore, which means iron ore producers have been biased towards exports, disadvantaging the local market,” cabinet spokeswoman Phumla Williams said yesterday.

The recommendations, scheduled for “urgent implementation”, also seek to boost the domestic use of steel, especially as South Africa embarks on a massive infrastructure investment programme that includes new railway lines and ports.

Williams could not provide details on the potential tax but said the rele-

vant ministries, which include the departments of minerals, trade and finance, would look into its implementation.

South Africa’s market is currently dominated by Kumba Iron Ore, a unit of Anglo American and Africa’s biggest steel-maker, ArcelorMittal South Africa. – Reuters