



**Vaal** weekblad

# Kommentaar / Comment

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# Lots of life left in AMSA's veins of steel

MooiVaal Media was last week privileged to be one of the first media groups to get a glimpse at ArcelorMittal's Factor Report for 2014. It confirmed what we have hoped for: Our local steel giant still has lots of life left in its veins, and many plans up its sleeve to improve AMSA's business performance worldwide.

Its Vanderbijlpark Works is still one of the world's largest inland steel mills and the largest supplier of flat steel products in sub-Saharan Africa.

Vereeniging Works is the country's major supplier of speciality steel products, seamless tube and forge products and produces 0.4 million tonnes of final product per annum, of which some 32% is exported.

AMSA is without a doubt still the Vaal's leading economic growth engine.

It contributed 0.9 % (R27 bn) in direct GDP and 0.4 % (R11 bn) in indirect GDPs. Its share of taxes to SARS amounted to R1.5 bn in 2013 (including both corporate and employee taxes). The Factor Report has good news for the Vaal and South Africa as a whole in that early signs indicate a potential increase in steel demand.

Vehicle sales are rising; there is an increase in the number of building plans passed and an increase in sales of construction and building material was also noted.

Currently AMSA employs almost 15 000 workers but creates up to 107 800 jobs in overall economy-wide employment. In 2013 AMSA invested R42 m for technical training of engineers, artisans and apprentices. It provides some of the best training and ca-

reer development opportunities in their local communities but the report indicates that more opportunities exist to actively develop supplier skills and capabilities through enterprise development programmes.

Employee turnover is relatively low; however, skilled black employees showed a higher turnover due to better pay offers.

According to the report the employee retention process needs to be revised to retain essential skills or training efforts leveraged towards producing more skilled black employees.

AMSA's commitment to supporting and developing its communities has long been in evidence and the report confirmed that AMSA is committed to providing education, health, social upliftment and employees volunteering in the communities they serve. It has supported 2 schools, 3 Science centres, a health clinic and rehabilitated 158 houses in 2013.

AMSA's total procurement spend was R24.9 bn in 2013 and 24% (R5.9 bn) was on businesses in local communities around its plants.

On the downside AMSA's SO<sub>2</sub> emissions increased from 2012 to 2013 due to the quality of coal used in processing, but on the up side it has since 2005 been able to reduce its water intake for steel production by 35%.

AMSA now boasts an intake rate below average for global steel companies.

In general the report is a ray of light for the Vaal amidst dark clouds that hang over many other industrial and mining activities in South Africa.