

MEDIA STATEMENT

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FOR IMMEDIATE RELEASE

MEC MUSA ZONDI URGES INTERVENTION FOLLOWING AMSA'S DECISION TO CLOSE LONG STEEL BUSINESS

KwaZulu-Natal's MEC for Economic Development, Tourism and Environmental Affairs, Rev. Musa Zondi, has called for urgent intervention in response to ArcelorMittal South Africa's (AMSA) announcement regarding the closure of its long steel operations in Newcastle and Vereeniging, which will result in the loss of approximately 2,000 jobs.

In light of AMSA's significant role in the Newcastle economy, Rev. Zondi has written to the Minister of Trade, Industry and Competition, Hon. Mr. Parks Tau, requesting further engagement to address the impending crisis.

The closure will directly affect over 2,000 jobs in Newcastle, posing a severe threat to the livelihoods of workers and the broader local economy. As one of the largest employers in the region, AMSA's operations have long been a pillar of economic stability, supporting thousands of workers and local suppliers.

AMSA's request for assistance from government centers around key issues, including:

- A 15% reduction in Eskom tariffs and relief from load shedding.
- Reliable and cost-effective steel transportation from Transnet.
- Addressing fair competition and business practices.
- Reviewing industry policies such as the Scrap Price Preference System (PPS) and Export Scrap Tax.

Rev. Zondi acknowledged the establishment of a national task team, chaired by Dr. Tebogo Makube, and the efforts led by Mr. Sisanda Mtwazi to facilitate dialogue between AMSA and government. However, he expressed concern that the support provided thus far has been insufficient to avert the closure.

"The closure of AMSA's Newcastle and Vereeniging operations could devastate the local economy, leaving thousands without work and negatively impacting regional suppliers. Furthermore, if this is not resolved, it will have a ripple effect on the broader economy of KwaZulu-Natal, threatening

economic stability and growth in the province. We urge the Minister to explore all possible solutions to prevent this closure, including further dialogue with AMSA and stakeholders,” said Rev. Zondi.

The Department of Economic Development, Tourism and Environmental Affairs remains committed to preserving jobs and protecting the economic interests of the Newcastle community.