THE NATIONAL ASSEMBLY
QUESTIONS FOR ORLA REPLY

QUESTION 126

Dr P J Rabie (DA) to ask the Minister of Trade and Industry

Whether the Competition Commission intends investigating the escalation of the price of iron and steel during the first quarter of 2008; if not, why not; if so, what are the relevant details? NO1681E

Response

The dti is aware that the Competition Commission has received concerns regarding alleged anti-competitive pricing in the iron and steel industry and is currently looking into these concerns. As the Commission is an independent statutory body, the dti has no privileged access to information regarding any specific investigation.

However, the dti is concerned with prices in the sector which are higher than those which many of our major competitors face as well as the recent large increases in domestic prices in this sector. This impact negatively in the creation and retention of jobs in downstream sectors as well as have a potential inflationary impact on the roll out of vital infrastructure.
Thus far our response as government has been to remove import tariffs on carbon and stainless steel inputs and ongoing engagements with up-stream producers in the sector. We have also established an inter-governmental task team to investigate opportunities to introduce further competition into this sector. Further, wherever government suspects anti-competitive behaviour in the sector this will be referred to the Competition Commission for investigation.