



TRADE & INDUSTRIAL POLICY STRATEGIES

INDUSTRY STUDIES UPDATE

Iron and Steel

October 2025

TIPS industry studies aim to provide a comprehensive overview of key trends in leading industries in South Africa. For each industry covered, working papers will be published on basic economic trends, including value added, employment, investment and market structure; trade by major product and country; impact on the environment as well as threats and opportunities arising from the climate crisis; and the implications of emerging technologies. The studies aim to provide background for policymakers and researchers, and to strengthen our understanding of current challenges and opportunities in each industry as a basis for a more strategic response.

This note provides an update of recent developments in the South African iron and steel industry, building on the [TIPS Industry Study on Steel and Related Products](#). The update highlights the implications of ongoing geopolitical tensions, particularly the effects of the United States tariffs on the local industry. It also outlines recent changes in the European Union's climate and steel policy landscape; reviews recent key developments in South Africa, including the steel tariff review and the enactment of the Climate Change Act No. 22 of 2024, with a focus on its implications for the steel industry; and finally assesses recent developments in long steel.

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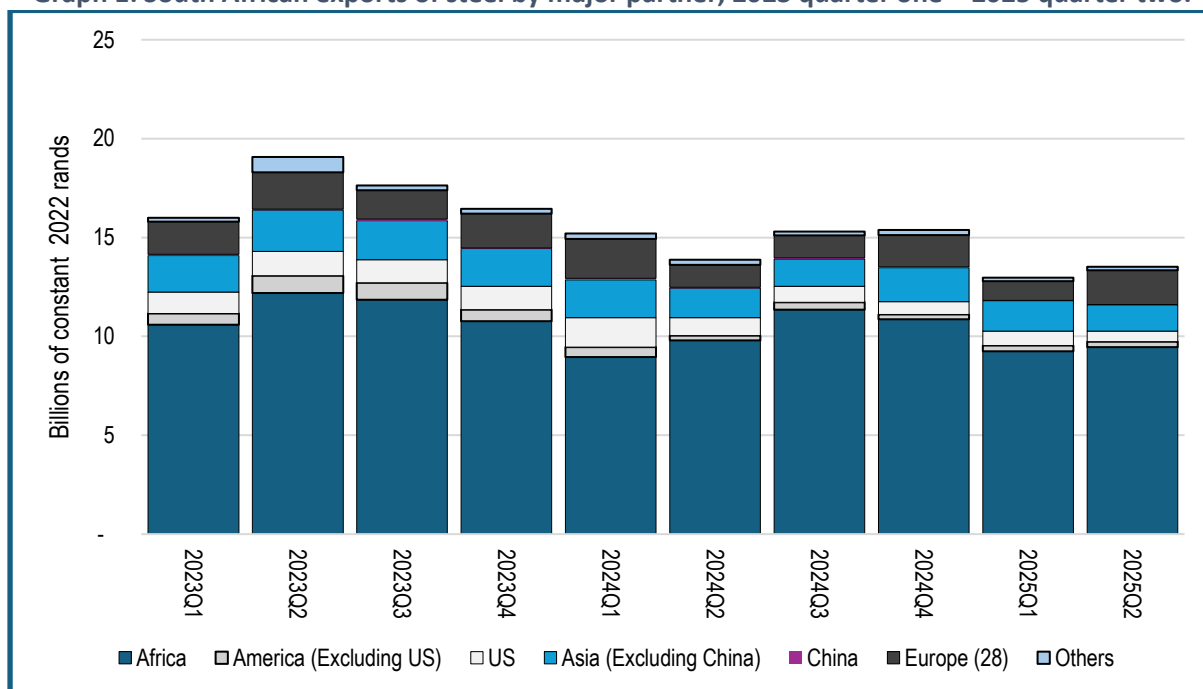
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DEVELOPMENTS IN THE GLOBAL NORTH

While South Africa’s steel trade is primarily directed toward Africa, Europe and Asia excluding China, the United States (US) market also features as an export destination for South African steel, representing only 7% (on average) of total exported steel to the world from South Africa between 2023 quarter one and 2025 quarter two. The 30% US tariff on South African goods, which came into effect on 8 August 2025, will impact the steel value chain (still to be seen from the last two quarters of 2025), with stainless steel waste and scrap also subject to the same tariff. Graph 1 highlights steel trade with major export partners between the first quarter of 2023 and the second quarter of 2025, showing consistent trade patterns, although export values are declining.

Graph 1: South African exports of steel by major partner, 2023 quarter one – 2025 quarter two.



Source: Calculated from ITC Trade Map, 2025. Data downloaded from <https://www.trademap.org>. Prices are rebased to 2025 average quarter two using Stats SA’s CPI data. *Note:* Steel products include iron and steel, (CN Code 72 and exclude ferro alloys – 7202) and articles of iron and steel (CN Code 73).

While this US measure is not expected to have a severe effect on the South African steel industry, other measures in the European Union (EU) are likely to have a significant impact on South African steel products, particularly the EU Carbon Border Adjustment Mechanism (CBAM).

Recent developments in the European steel landscape include proposals to simplify the EU CBAM and to extend the product scope of EU CBAM to the downstream industries (European Commission, 2025a, 2025b). The proposals to simply the EU CBAM falls under the EU’s legislative process, including scrutiny and approval by the European Parliament and Council (Council of the EU, 2025; European Parliament, 2025). These proposed changes carry several implications for affected South African businesses (see [Maimiele, 2025](#)). As part of the EU CBAM processes, the European Commission should conduct a comprehensive impact assessment ahead of the EU CBAM’s implementation in January 2026, to consider the expansion of the CBAM product scope. The downstream extension will have serious implications for the steel value chain. While the downstream product scope remains unclear, steel products such as industrial tools and construction materials may be included. This would increase costs for these products, making them less competitive in EU markets and potentially leading to export displacement.

DEVELOPMENTS IN SOUTH AFRICA'S STEEL INDUSTRY

In recent months, there have also been some developments in the South African iron and steel industry. These include reactions to cheap and dirty imports; enactment of the Climate Change Act which has implications for the steel industry as it relates to carbon budgets and sectorial emissions targets; and the ongoing pursuit to secure ArcelorMittal South Africa's (AMSA) long steel business.

On 20 August 2025, the International Trade Administration Commission of South Africa (ITAC) published its preliminary determinations on safeguarding the South African steel industry. The publication included determinations on the introduction of customs duties (to be increased to their bound rates of between 10% and 20%); the provision of additional rebates; the imposition of import controls; and the retention of duty-free status on input products used in steelmaking. ITAC also determined that the current geopolitical landscape constitutes an unprecedented emergency, warranting urgent action under Articles 19 and 21 of the General Agreement on Tariffs and Trade (GATT). Finally, ITAC proposed establishing a committee comprising industry roleplayers and commission members to advise on steel-related matters. These preliminary determinations are intended to safeguard the local steel industry but will only take effect after consultation with the general public.

Since the announcement of the AMSA long steel business closures, significant developments have unfolded, with debates continuing across both government and private sector levels. At the beginning of September 2025, AMSA placed its Newcastle long steel operations under temporary care and maintenance while engagements to secure AMSA long steel operations continues (AMSA, 2025).

Another key development affecting the steel industry relates to recent climate change regulatory updates in South Africa. In recent months, there has been an update to the Nationally Determined Contributions (NDCs), and the Climate Change Act was enacted. While some aspects of the Act, including the carbon budgets, have been deferred to a later date (to be determined), other provisions, such as the sectoral emission targets, are to be implemented (DFFE, 2025). Section 25 addresses these sectoral emission targets, with the only deferred clause being subsection 4(c), which specifies the quantitative and qualitative greenhouse gas emission reduction goals for the first five years, the subsequent five to 10 years, and the 10 to 15-year period thereafter for industries required to meet targets.

The DFFE has published numerous policy papers (in July and August) for public comments, including the draft [National Greenhouse Gas Carbon Budget and Mitigation Plan Regulations](#), among others. The proclamation of the Climate Change Act adds complexity to the regulatory framework impacting emitting sectors, including the iron and steel value chain. The iron and steel value chain will be compelled to invest in decarbonisation initiatives to reduce emissions. However, there is still some time (which creates policy uncertainty), as the exclusion under Section 25(4)(c) provides temporary relief to sectors in South Africa impacted by climate change, including iron and steel.

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