

Mountains of dead steel could be grist to the mill

Public works minister Dean Macpherson tweeted a tender on Wednesday promoting the state's infrastructure programme, which he oversees, to design, install and operate a solar power plant at Eskom's shuttered Komati power station in Mpumalanga.

Komati was commissioned in the 1950s, a 1,000MW, five-unit plant that was closed to meet our climate targets.

The tender is the logical extension of poor thinking.

It compounds the tangle that has become of our industrial policies as we have sought to rewrite the laws of supply and demand.

In trying to prevent or slow down our deindustrialisation, the ANC's governance has speeded it up.

This is very clear in the collision between power prices and steelmaking.

For years now the state has tried to control the prices of scrap metal to feed its vision of a New Age of mini-steel mills melting scrap and operated by black industrialists.

The result has been the weakening of the only integrated steelmaker in the country, ArcelorMittal SA (the old Iscor), which has closed its huge plant in Saldanha and is now closing its long steels division at New-



In My View
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castle.

Amsa says the mini-mills are getting cheap stock (scrap metal that is price-controlled and subject to steep export duties) while it is not.

The state is now desperately looking for a buyer at Newcastle, and is not only paying generous subsidies to Amsa to keep its last plant at Vereeniging going, but is picking up the entire salary bill at Newcastle.

Madness. There is enough steel in SA, either scrap or in shuttered plant, to keep the local mini-mills going for decades.

The steel crisis here is imagined.

Eskom's coal plants burn poor-quality coal.

As a result, the boilers in its generating units have to be extra tall so that ash doesn't enter the turbines that the boilers drive.

Eskom says its boilers, on average, each contain ... wait for it ... 650 kilometres of steel tubing!

Multiply that by the 90 or so boilers in the fleet, many of which are slated for closure, and you have almost 60,000km of steel tubing.

That's one-and-a-half times the circumference of the world. If, instead of trying to convert the existing infrastructure

at Komati to photovoltaic (PV) power you simply cut it all up for scrap and fed it into the local market, its five generating units alone would yield about 3,000km of steel boiler tubing. Let alone the scrap inherent in the rest of the plant.

And you could use the extra space for more PV power.

There's so much dead steel lying around in the country — 35 ferrochrome smelters have shut in the past decade because

of high power prices — it's astonishing that ministers at the department of trade, industry & competition ignore it.

In the 1980s the UK closed huge British Steel plants and

literally cut them to the ground and covered the remains with grass and housing.

You could help Amsa out by cutting up Newcastle and Saldanha and feeding them to the steel industry as stock as well.

Transnet has rail lines it hasn't used for years that could be cut up too.

The cutting alone would be labour intensive and create thousands of jobs.

The work could be given to black industrialists on pain of sharing the spoils with incentivised labour.

You could lift all the restrictions on scrap exports and still have cheap steel for the local

industry for 50 years.

Instead, we cling to these relics in the fanciful hope of saving them.

Saldanha is down to be converted to produce 'green steel' using hydrogen, for crying out loud.

It'll never happen. The rail line between East London and Mthatha will never reopen.

But where there's muck there's brass as the old English industrialists used to say, and they were right.

We just can't see the money for the righteousness.

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