CCRED
CENTRE FOR COMPETITION REGULATION AND ECONOMIC DEVELOPMENT

UNIVERSITY OF JOHANNESBURG

Policy Brief, May 2018

Upstream strategies and support in the metals and machinery value chain: Industrial policy lessons[1]

Industrial Development Think Tank: Policy Briefing Paper 8[2]

Dr. Zavareh Rustomjee and Lauralyn Kaziboni

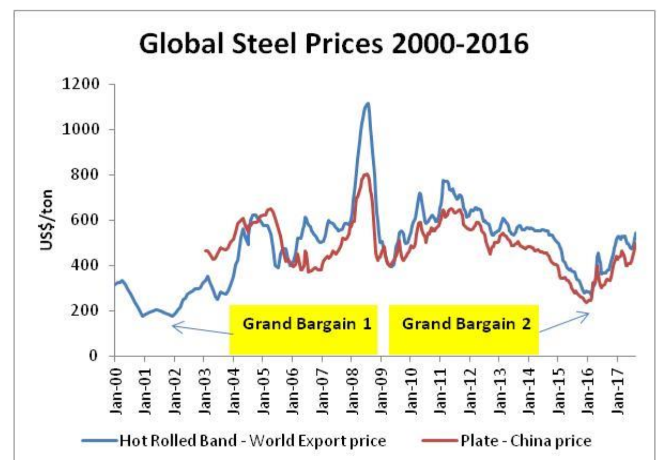
The competitiveness of the upstream sector[3] in the metals and machinery value chain has been underpinned by large scale investment in the 1990s to upgrade plant and equipment, supported by investment incentives and Industrial Development Corporation (IDC) investments. However, this advantage has been eroded over time. Upstream firms have been facing financial difficulties in 2016 and 2017 arising from what appears to be a profit maximising or asset stripping approach during the commodity super-cycle between 2002 and 2008.

Our research traces the interplay between corporate strategies and policy over a period spanning over three distinct commodity price cycles from the early 1990s to date, and outlines the various factors that have impacted on outcomes. The study identifies two time periods, 2001 and 2016, where "Grand Bargains" were struck between the upstream companies (mainly ArcelorMittal) and government, as upstream companies sought government assistance to alleviate the

Source: Bloomberg

pressures from the commodity prices slump (see Figure below).

Figure 1: Global steel price – Hot Rolled Coil (US$/ton) – 2000-2017



Source: www.steelbenchmarker.com/files/history.pdf

[1] The policy brief draws from the project research paper titled "Structural transformation along metals, machinery and equipment value chain – developing capabilities in the metals and machinery segments" available here: https://www.competition.org.za/overview/.

[2] The Industrial Development Think Tank at UJ is housed in the Centre for Competition, Regulation and Economic Development, in conjunction with the SARChi Chair in Industrial Development, and supported by the DTI which is gratefully acknowledged. This paper reflects the views of the authors alone and not of the DTI or any other party.

[3] Upstream sectors refers to the manufacture of basic iron and steel and basic non-ferrous metals, while downstream sectors refers to the manufacture of fabricated metal products and machinery and equipment.

In 1990 the main firms in the sector were Iscor/ArcelorMittal, Highveld Steel, Scaw, Columbus Stainless and scrap processors producing long and flat steel products mainly for the construction sector. The individual corporate strategies, which are traced in more detail in the main paper, and summarised in the table in Appendix 1 form the basis of this discussion and its links with industrial policy prescripts.

Industrial policy and the value chain

Post-apartheid industrial policy had twin objectives. First, to grow the upstream mineral and energy intensive industry base, which held a low cost comparative advantage and also generated the bulk of the country's foreign exchange. Second, to strengthen the linkages between upstream and downstream sectors and to expand the downstream higher value-added and labour intensive industries.

A range of policy instruments were applied towards these objectives and included industrial tariff and rebate instruments, investment support programmes (such as IDC Global Player Fund, 37E tax incentive, Strategic Investment Programme, Regional Industrial Development Programme, Small and Medium Manufacturing Development Programme and the Small and Medium Enterprise Development Programme), as well as support measures for technology enhancement, research and development and skills development.

In addition, exports were also promoted by the reshaping of trade policy through the renegotiation of the SACU agreement, the evolution of the SADC trade agreement, the negotiation of the EU Free Trade Agreement, the Mercosur agreement and the engagement with the USA on AGOA.

Upstream steel tariffs of around 30% in 1994 – which had a pass-through cost-raising impact on both downstream metal-intensive sectors as well as the entire economy – were reduced to 5% in 1996.[4] At the same time, tariffs on downstream fabricated steel products were adjusted to provide appropriate levels of protection for existing production plants producing specific steel and steel product line items.

Following a review of competition policy, a new Competition Act was introduced in 1996, heralding the creation of the Competition Commission and Competition Tribunal institutions. Mineral resource policy was also reviewed resulting in the enactment of the Mineral and Petroleum Resources Development Act (MPRDA) (Act 28 of 2002), which implicitly supported the transfer of resource rents through the beneficiation of primary commodities in downstream labour-intensive sectors.

To counter the adverse impact of import parity pricing (upstream rent appropriation), commonly practiced at that time by upstream intermediate goods producers, investment programmes were offered to the upstream industries on a conditional basis. For example, recipients of the 37e benefit were legally obliged to practice export-parity pricing in the domestic market.

The desired policy outcome was for upstream metal sectors to achieve global competitiveness while also sharing the rents accrued, through the above support measures, with the downstream labour-intensive metal sectors. Market dominant Iscor achieved global upstream competitiveness by the late 1990s, but this eroded thereafter, though the declining state of the assets was concealed by the commodity price super cycle between 2002 and 2008. In contrast, the policy objective of transferring rents to downstream sectors was not achieved.

Corporate strategies undermining policy objectives

The discussion below indicates how the corporate strategies of various steel companies have impacted on the industry.

Iscor and ArcelorMittal – Iscor attempted in the 1990s to become a national champion and significant global steel producer, but failed largely due to the huge and sustained downturn in global steel prices at the most vulnerable point in its investment cycle. Policy makers essentially socialised the losses of the early 2000s to prevent bankruptcy and the loss of domestic steel capacity. In *Grand Bargain I*, the policy makers allowed a foreign transnational steel corporation (ArcelorMittal) to acquire control of Iscor, subject to conditions aimed at transferring rents to the downstream sectors. However, ArcelorMittal abused its dominant domestic market position through collusive behaviour, substantial rent extraction and underinvestment such that the global ArcelorMittal Group has incurred large losses since 2009 and is likely to continue to do so until its capped pricing and capped profit agreement (discussed below) expires in 2022.[5]

[4] Roberts, S. and Z. Rustomjee (2009) Industrial policy under democracy: apartheid's grown-up infant industries? Iscor and Sasol

[5] This agreement was reached between ArcelorMittal and the Competition Commission on all pending abuse of dominance cases in 2016, including the cartels in long steel and scrap metal products. The overall settlement resulted in AMSA committing to pay a penalty of R1 500m, at R300m per annum over 5 years from 2016. The case is available here: http://www.comptrib.co.za/cases/consent-order/retrieve_case/2163

Anglo American, Scaw and Highveld Steel/Vanadium – The Anglo American Corporation achieved its primary objective of maximising short-term asset value at finance capital/holding company level through conglomerate unbundling (Highveld Steel and Anglo American Industrial Corporation became separate companies in this unbundling), and simultaneously reducing exposure to the South African economy by shifting asset and corporate control offshore towards the end of the 1990s. This process placed considerable stress on the unbundled domestic firm's balance sheets and undermined the latter's ability to upgrade ageing plant and equipment, expand, compete and to withstand commodity price cycle downturns.

Furthermore, in the midst of the commodity boom in 2006, Anglo American (which wholly owned Scaw Metals) invested in diversifying Scaw globally through acquisition, resulting in London-controlled Scaw becoming one of the global leaders in steel grinding media, but subsequently stripped the company of its offshore assets and sold Scaw to the IDC. The IDC has been carrying substantial losses ever since and is currently dismembering and disposing of Scaw's assets.

Similarly, Highveld Steel, the third largest global producer of vanadium, was disposed of in 2007 to Russian-owned Evraz plc. After steel and vanadium prices fell post-2008, Evraz, the second largest global producer, asset stripped the company, sold a minority share to a black-owned consortium and subsequently in 2015 put the firm into business rescue. The result of eliminating South African supply has led to rising global vanadium prices and profits for Evraz.

The corporate strategies employed by these transnational corporations are closely linked to the movements of the commodity prices.

Policy issue 1 - Align policy support timing to the commodity price cycle

In the two price cycles discussed, policymakers were pressured into providing support to firms in the upstream sectors to avert threatened large-scale closure of production facilities and in both cases, with the benefit of hindsight, the support came in after the low point in the steel price cycle. In both cases, corporate strategies anticipated the price upturn and firms carried out major cost-cutting measures and restructuring before and during the low point in the cycle, such that they derived excessive benefits from the (late) support provided by the state.

Grand Bargain I (2001) - State intervention to save South Africa's Big Steel Inc

The Asian crisis of 1997, followed swiftly by the 1998 Russian crisis, impacted adversely on global demand and prices for mineral and steel commodities, contributing to South Africa's gross domestic product growth falling from 4.3% in 1996 to 0.5% in 1998. Steel prices dropped to unprecedented levels barely covering the cash costs of most developed market steel producers. This prompted developed market economies, particularly the USA, to impose massive dumping duties on exported South African steel with the USA government also convening international round table discussions under the auspices of the OECD between 2000 and 2002. South African policymakers (as well as the IDC, as a direct shareholder and financier of the national steel industry) actively intervened to support the domestic industry (*Grand Bargain 1*). Fortunately, China's economic resurgence drove commodity prices higher after 2002.

The response of Iscor management and institutional shareholders was to unbundle Iscor in 2001, adopting a short-term profit-maximising approach to maximise the sum of parts of the unbundled Iscor with a disproportionate quantum of balance sheet debt being allocated to the steel company rather than the Kumba Resource mining company.

It was only through the intervention of the Department of Trade and Industry (DTI) and IDC that Iscor Steel emerged with a low-cost evergreen iron ore supply agreement as well as a manageable level of debt effectively subsidised by the IDC. In 2001, Iscor then chose UK-based LNM Steel as a strategic equity partner, entering into a 3-year performance-for-shares Business Assistance Agreement. Iscor's profitability soared in 2002 after Saldanha Steel's technical problems were overcome and global steel prices had recovered.

Policy makers then entered into a grand bargain with LNM-Ispat (subsequently renamed Mittal Steel SA and later becoming ArcelorMittal South Africa), allowing them to acquire a majority stake in Iscor subject to agreement to pass on the benefit of (IDC-financed) cost-plus iron ore to downstream steel users through an agreed developmental steel price.

Mittal Steel SA effectively violated the agreement through protracted negotiations with the DTI which were never concluded. In a parallel drawn-out process between 2004 and 2007, the Competition Commission and Tribunal investigated and prosecuted Mittal Steel for excessive pricing. However, the Tribunal's R692m fine was subsequently overturned by Competition Appeal Court in 2008.

Following investigations which had begun around 2007, competition authorities later uncovered several steel sector cartels which included the long steel cartel (2012), flat steel cartel (2012), wire rod price discrimination (2012), scrap metal (2013) and excessive pricing by AMSA (2016).

This clearly shows that, although *Grand Bargain I* was only with market dominant Mittal Steel, other steel producers benefited by forming collusive price-raising cartels with Mittal Steel which boosted their respective shareholders' profits at the expense of domestic steel users.

Grand Bargain II (2016) - State intervention to save RSA's Big Steel Inc

The second crisis occurred after the 2008 global financial crisis which impacted on global steel prices after 2010, with prices falling almost to levels as witnessed in 2001. Between 2012 and 2016, global steel export prices dropped to 10-year lows.

The domestic steel industry did not feel this impact initially, given the counter-cyclical infrastructure investment that continued after 2008 combined with steel cartel-related domestic prices. The crisis ultimately led to the closure of CISCO in 2010, the bailout of Scaw by the IDC in 2012, the closure of Highveld Steel in 2015 and the *Grand Bargain II* entered into with ArcelorMittal SA (AMSA) in 2016.

After 2016, global steel prices turned upward. Perhaps in anticipation of changes in the steel price cycle, AMSA proposed a grand bargain with government in July 2015. AMSA offered to abandon its much criticised domestic import-parity pricing practice, and adopt a production cost-based formula (plus a reasonable capped margin). This was in exchange for settlement of unresolved competition-related matters, increased tariff protection, and a policy directive that only local steel be utilised in publicly-funded infrastructure projects.[6]

The grand bargain was concluded in August 2016 and consisted of the following components:

- AMSA was to make commitments over a 5 year period regarding investment, jobs, domestic pricing and output
- Agreement on a set of principles for flat steel pricing in SA that is set appropriately to ensure that steel-dependent industries are competitive, while at the same time ensuring that the upstream steel mills remain sustainable
- Increase in the general rate of customs duty on primary steel products to 10% and safeguard measures for a period of 3 years on hot rolled coil and plate products
- Downstream support measures, including tariff increases on a range of downstream products and the deployment of rebates
- Local procurement by government:
  - un-deeming of primary steel in designated products (requiring the use of locally manufactured primary steel)
  - designation of downstream steel-intensive construction products and components.
- Investment support through 12i tax incentives
- Incubation support for SME development
- Establishment of a R1.5 billion Steel Development Fund to support key downstream steel sectors/sub sectors.

Central to the agreement was the settlement of all Competition Commission issues with AMSA[7], with AMSA committing to pay a penalty of R1500 million, at R300 million per annum over five years from 2016. It should be noted that the conditions of the first instalment due in November 2016 were revised, and it was agreed that the first R300 million would be paid in three instalments.[8]

At a global level, ArcelorMittal's corporate strategy has been to rationalise and consolidate its global subsidiaries in the face of declining steel prices. During the 2008-2016 downturn, it has successfully managed to retain full control of its South African subsidiary while clearing its potential competition-related liabilities at an effective discount. Future profits for AMSA are underpinned by secured tariff protection for its local production through *Grand Bargain II* until at least 2021, with corresponding projected rising global steel prices. With its major South African market competitors either actually (Highveld) or technically (Scaw) bankrupt, AMSA is cherry-picking the latter's assets and positioning itself to dominate the domestic market. Viewed in this light, its steel output decrease of 0.4mt (6.4mt to 6.2mt - 2016) and its declared 1H2017 loss of R2,223m are likely to be reversed relatively quickly if global steel prices continue to rise on the back of USA, EU and China market recovery.

[6] http://www.miningweekly.com/article/fair-steel-pricing-model-will-cap-good-times-upside-offer-bad-times-collar-2015-07-31
[7] See note 5.
[8] http://m.engineeringnews.co.za/article/arcelormittal-competition-commission-reach-payment-agreement-2017-12-18

Key policy lessons

South Africa is a small open economy, hostage to cyclical global commodity prices. The research shows that policy makers have not taken account of the cyclical nature of steel pricing. Substantial balance sheet support has been given to upstream corporations who have extracted excessive rents during peak price windfalls and have then taken the policy makers hostage, effectively forcing them to socialise corporate losses during low points in the commodity cycle. The research also shows that the extent of support given during the low price crisis of 2001 was excessive and that policy makers appear to have repeated this error, providing excessive support in 2015 to upstream firms just as the global steel price cycle turned upward.

In both 2001 and 2016, policymakers were pressured into providing support to firms in the upstream sectors but the support came in after the low point in the steel price cycle; corporates anticipated the price upturn and strategised accordingly (cost-cutting and restructuring), resulting in them deriving excessive benefits from the late support provided by the state. In the 2001-2003 period, despite conditions being attached to state support, the benefits of competitive upstream steel prices were not passed on to downstream steel users. There is a real danger that this is recurring in the current period with extensive protection and policy support being afforded to an increasingly dominant and foreign-controlled AMSA, translating into substantial cost raising of steel inputs into the domestic economy during a cyclical upswing in global steel pricing.

Policymakers did not align the overgenerous quantum and nature of support to Iscor/LNM /Mittal Steel in 2001 with the commodity price cycle and consequently socialised the losses in order to save the upstream industry just when prices shifted upward. Policymakers then allowed private transnational capitalist interests to take full control of domestic production assets subject to conditions which were not adhered to. Consequently, ArcelorMittal benefitted excessively from the subsequent windfall super-cycle profits. This error in *Grand Bargain I* is currently being repeated through the 2016 *Grand Bargain II* with ArcelorMittal. Public sector resource support has again been given at the exact point when the global steel price cycle has turned upward. ArcelorMittal is the main beneficiary of this support which effectively (through tariff protection) increases the cost of downstream steel inputs by up to 22%.[9] The IDC Scaw process is reminiscent of the early 2000 IDC experience with Iscor, whereby IDC bore the losses of the company during low global steel prices, sold the assets at the bottom of the price cycle to a transnational corporation, with the private buyer benefiting from the rising steel price thereafter.

The above experience also points to a policy instrument gap. South Africa is a small diversified resource-based economy, which will continue to be buffeted by global commodity price cycles across a wide range of resources. Rather than having piecemeal agreements for individual value chains, a more structural and sustainable approach would be to introduce a Resource Rent Tax mechanism which provides relief during price downturns in exchange for capping windfall profits during price booms. This will go some way towards achieving a more equitable sharing of the costs and benefits of policy support for cyclical commodity-intensive sectors.

Policy issue 2 - Incorporate policy conditions into robust, legally-binding agreements

Between 2011 and 2016, the Commission investigated the dti's complaint that AMSA was charging excessive prices for its flat steel products by using an inappropriate reference price basket[10] of high priced steel producing countries between 2009 and 2011, and omitting South Korea, India and China whose operating costs were closer to those of AMSA. AMSA denied this but, in terms of the 2016 settlement, agreed to change its pricing practice.

The 2016 *Grand Bargain II* has utilised the provisions of the Competition Act (Act 89 of 1998, as amended) to ensure that ArcelorMittal cannot renege on its commitment not to charge excessive prices in the domestic market.

Policy implementers' future challenges will be to match ArcelorMittal's power during the detailed technical and financial negotiations around the price basket and to ensure that there is absolute political backing for outcomes which may impact adversely on ArcelorMittal. This is unlike during the developmental price negotiations under the 2001 *Grand Bargain*, when

[9] Currently there is an import duty (10%) on steel imports. Steel and Engineering Industries Federation of Southern Africa (SEIFSA) is advocating for safeguard duty (12%) in order to protect the local companies against dumping, which is still to be approved by the International Trade Administration Commission (ITAC).

[10] Basket price refers to the imported weighted price of domestic hot rolled coil prices determined by the weighted average price of certain countries (excluding China and Russia) in their domestic markets based on primary data from the CRU and MEPS global steel productions, weighted as follows: EU 50% (50% Germany and 50% France, UK, Italy and Spain); Asia 30% (50% Japan, 40% Korea and India, 10% Taiwan); North America including Brazil 20% (75% USA and 25% Canada and Brazil).

ArcelorMittal's CEO Lakshmi Mittal served on the President's International Business Advisory Council.

The 2016 *Grand Bargain II* has utilised the provisions of the Competition Act (Act 89 of 1998, as amended) to ensure that ArcelorMittal cannot renege on its commitment not to charge excessive prices in the domestic market.

Our research has identified a number of weaknesses with the price basket calculations. The rationale and detailed calculations behind the selection of the basket itself are not clear. AMSA have only committed to price caps and basket for flat steel. This may lead to disproportionate loading of non-flat steel and overhead costs including head-office, global and domestic marketing, imported production inputs and other transfer pricing costs, which may result in inflating the costs for the flat steel. As such, it may be prudent for the Competition Commission to allocate dedicated forensic accounting capability to the monitoring team for the 5-year duration of the agreement.

Additionally, it would seem that a perverse outcome of the 10% limit imposed on earnings before interest and tax (EBIT)[11] might be to encourage higher than necessary capital expenditure, thereby increasing the cost base during the 5 year period, beyond which only AMSA shareholders will benefit from uncapped profits, to the detriment of steel users.

Policy issue 3 - Coordinate and utilise policy instruments to benefit downstream labour-intensive sectors

Much of the 1990s investment support was conditional on the recipient firm committing to supplying downstream firms with competitively priced metal inputs. However, this did not happen due to a combination of factors including the relative power of a global corporation like ArcelorMittal to resist policy custodians, the weak legal basis of *Grand Bargain I* conditions and the failure to enforce these conditions.

In addition, associated policy levers administered by other state entities could have been brought to bear but were not. These include the MPRDA mineral licensing and beneficiation regulations. The Department of Mineral Resources (DMR) has enabling instruments that oblige applicants for mineral extraction rights to commit to beneficiating a portion of the extracted ores in the steel or in any mineral value chain, but these have never been invoked. More concerning has been the apparent complicity of DMR officials in the questionable allocation of AMSA's iron ore rights to an unknown entity in 2009, Imperial Crown Trading. This unravelled a very costly (IDC-funded) low cost evergreen iron ore supply agreement, a structural feature of an earlier steel value chain industrial policy which essentially transferred the resource rent from iron ore extraction to the downstream steel manufacturing sector.

The post 2018 challenge for policy makers is to review the MPRDA Draft Amendment Bill and the controversial Mining Charter to ensure that minerals policy is aligned with industrial policy relating to beneficiation. Furthermore, the minerals policy should be actively applied in a manner that ensures that mineral rents are used to secure a competitive advantage for the downstream industries.

Policy issue 4 – Effective competition policy to shape structural change

As of 2016, the previously domestic-capital controlled oligopolistic structure of upstream steel production has effectively been transformed into a foreign-owned monopoly, ArcelorMittal, which is constrained by the *Grand Bargain II* agreement until 2022. The remnants of competing upstream steel assets are currently being auctioned or closed down with active participation of policymakers, through the IDC (Scaw). AMSA is currently effectively increasing its dominance through creeping acquisition of Highveld Steel's assets. It is imperative to ensure that appropriate regulatory levers are in place to prevent AMSA from repeating abuse of market dominance.

It appears that an opportunity may have been missed by policymakers to effect a more sustainable *grand bargain* by forcing divestiture of the ArcelorMittal monopoly into two or more competing corporations. In its current form, the *Grand Bargain II* levies an effective 22% rent on ArcelorMittal's downstream customers which only benefits ArcelorMittal's shareholders.

In exchange for the above future benefits, AMSA's penalty of R1500m appears to be trivial compared to the profits reaped by upstream steel cartel members during a decade of excessive steel prices, and small compared to the damage incurred on downstream steel users and on the overall South African economy.

Policy issue 5 - Anticipate and avert asset stripping when considering merger and acquisition applications

The lessons emerging from our research on Anglo American-owned steel assets clearly reveal the

[11] AMSA is not allowed to earn an earnings before interest and tax (EBIT) margin percent greater than 10% for flat steel products, unless there are exogenous pricing factors that need to be accounted for, which will be subject to the Commission's review and approval. Any deviation from the EBIT may not exceed 15% for 3 consecutive months.

increasing dominance and relative power of domestic and global financial sector interests over domestic productive sector interests.

In hindsight, policymakers were not adequately equipped to address the scale and pace of domestic conglomerate unbundling during the 1990s, which seems to have been driven more by capital flight considerations rather than by productive sector growth objectives. State intervention into the Iscor unbundling averted the destruction of South Africa's main steel facilities but Highveld and Scaw, which were once important domestic competitors to AMSA have been asset-stripped and discarded by foreign-controlled corporations.

Policymakers should accept that this practice of maximising shareholder value is the basis of any ownership transfer application, particularly if it involves a transnational corporation. However, public interest considerations should always include conditions that ensure the survival of productive assets.

Appendix 1 - Corporate strategy summary 1994-2018

	Iscor/LNM Ispat/ ArcelorMittal SA (AMSA)	Anglo American Corporation - Highveld Steel	Anglo American Corporation - Scaw Metals
1994 - 2001	• Substantial investment expansion (Saldanha Steel) • Substantial rationalisation of old assets & jobs • Capital flight - Macsteel single channel global marketing (1995) • Unsuccessful diversification to stainless steel	• Unbundling • Separating offshore from RSA-based assets • Capital flight - shifting control of RSA assets to London • Process completed in 1998	
2001	• Iscor unbundling - DTI/IDC intervention to retain Iscor Steel with strong balance sheet and cost-plus iron ore agreement • LNM strategic equity/ business assistance partner		
2002	*Grand Bargain I* • LNM/Mittal Steel allowed to take control of Iscor subject to agreed developmental steel price	• Columbus Stainless Steel sold to Acerinox (Spain)	
2002-2007	• Mittal Steel violate agreement through protracted negotiations • Commodity prices and profits boom • Competition Commission excessive pricing charge overturned by CAC (2008)	• Highveld Steel sold to Evraz (Russia)	• Anglo plc acquire North American steel grinding media leaders AltaSteel & Moly-Cop (2006) • Scaw corporatised and 21% sold to black-owned consortium (2007)
2008-2012	• Mittal Steel violate agreement through protracted negotiations • AMSA lose 6.5mt iron ore cost-plus 3% agreement with Kumba (SIOC) (2009). • AMSA boosts profit to R1377m (2010) by imposing a 10% price surcharge on sales • Competition Commission uncover steel industry cartels in 2012 - Long Steel, Flat Steel, Wire Rod, Scrap metal (2013) • AMSA and SIOC renegotiated the iron ore supply agreement three times between 2010 and 2012 to share upstream rents	• Evraz asset strip - Vanchem sold	• Anglo plc asset strip - Americas grinding media sold to Onesteel (2011) • Scaw's remaining assets (74%) sold to IDC (2011)
2013-2016	• AMSA rationalise - steel output decreased by 1mt (7.4mt (2008) to 6.4mt (2015)) • AMSA incurred losses of R52m (2011), R518m (2012), R224m (2013), R200m (2014) and R809m (2015) • AMSA propose Grand Bargain II in 2015 • *Grand Bargain II* concluded 2016	• Evraz reduces shareholding through sale to black empowerment consortium (2014) • Highveld bankrupt - into business rescue (2015) • Evraz global profits rise on reduction of Highveld global supply	• IDC socialises losses R485m (2013), R184m (2014) +R3500m interest-free debt package, R887m + R1800m prefshare purchase (2015), R1126m (2016) and R787m (2017)
2017- Present		• AMSA acquires Highveld heavy structural steel mill (2017)	• IDC dismembers Scaw assets