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news release

ArcelorMittal South Africa launches Incubation Hub to help grow local steel sector

Vanderbijlpark, 07 July 2017: ArcelorMittal South Africa officially opened the first-of-its-kind steel industry Incubation Hub close to the company's head office in Vanderbijlpark today. The MEC for Finance in Gauteng, Ms Barbara Creecy, and ArcelorMittal South Africa Board director, Ms Nomavuso Mnxasana, officially unveiled the ArcelorMittal South Africa Matlafatso Incubation Hub, a R30 million facility co-funded by the Department of Trade and Industry.

The public private partnership has also received the thumbs up from the Gauteng provincial government, as key to its drive to revitalise economic activity in key regions and to help alleviate unemployment.

Chief executive officer of ArcelorMittal South Africa, Wim de Klerk, said: "This is a significant milestone for ArcelorMittal South Africa's transformation journey and will serve as a vehicle for driving transformation and help stimulate economic growth in the region."

The 1 600m² Matlafatso Incubation Hub forms an integral part of ArcelorMittal South Africa's preferential procurement strategy. The facility provides tailored development support to future industrialists in the steel and manufacturing sector, and currently houses 12 incubates, effectively creating around 77 direct jobs.

Bridging the journey from start-up enterprise to industrialist, qualifying entrepreneurs are provided with access to factory space, capital equipment, industrial markets, bridging finance during the early stages of growth, and holistic development support.

The Matlafatso Incubation Hub is also part of ArcelorMittal South Africa's commitment to ensuring that the South African steel industry thrives by facilitating new entrants who can effectively and actively participate in the growth and development of the sector.

“As South Africa's largest steel producer, it is incumbent upon the company to ensure that the steel industry can introduce new, highly-skilled and qualified entrants who are equipped to provide goods and services and can be incorporated into ArcelorMittal South Africa's procurement supply chain, as well as those of other companies,” added De Klerk.

As one of the largest private sector employers in the Vaal region, ArcelorMittal South Africa also provides various opportunities for employees to develop their skills and advance their careers. This initiative forms part of the company's holistic approach to socio-economic development, which spans from its early childhood development (ECD) programmes; to its focus on supporting learners around its operations with extra tuition in STEM (science, technology, English and mathematics) subjects; the provision of apprenticeships, learnerships and bursaries to encourage careers in the Engineering discipline; and its small business development programme.

In 2015, ArcelorMittal South Africa and the Vaal University of Technology ran a six-month business and entrepreneurship course which involved 50 enterprises in Gauteng. The aim of the initiative was to empower local businesses and to encourage them to become part of the company's supplier database.

The Matlafatso Incubation Hub will also help drive the quest by the government to create a platform to encourage the emergence of black industrialists.

The Matlafatso Incubation Hub currently hosts a range of diverse businesses, which include steel and fabrication companies, a local scrap metal collection consortium, a construction company and a black, woman-owned auctioneering business.

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