The Erosion of South Africa's Electrical Cable Industry

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Introduction

The South African Cable Manufacturing industry is in serious trouble because of the effects that imports have on our industry.

Import of electrical cable products especially from China is having devastating effects on the local industry.

These products are dumped in SA; is substandard and the Chinese cable manufacturers are subsidised by the Chinese Government for exports from that country.

While the local cable industry is heavily regulated, it seems the products imported are not as heavily regulated and as a result, these products are sold at prices in SA that are unsustainable to the local manufacturers.

We do not mind fair competition, but is this fair?

What are electrical cables used for?

Energy Sector – Transmission and distribution

IT & Telecoms – Data centers and Telecom networks

Building and Construction

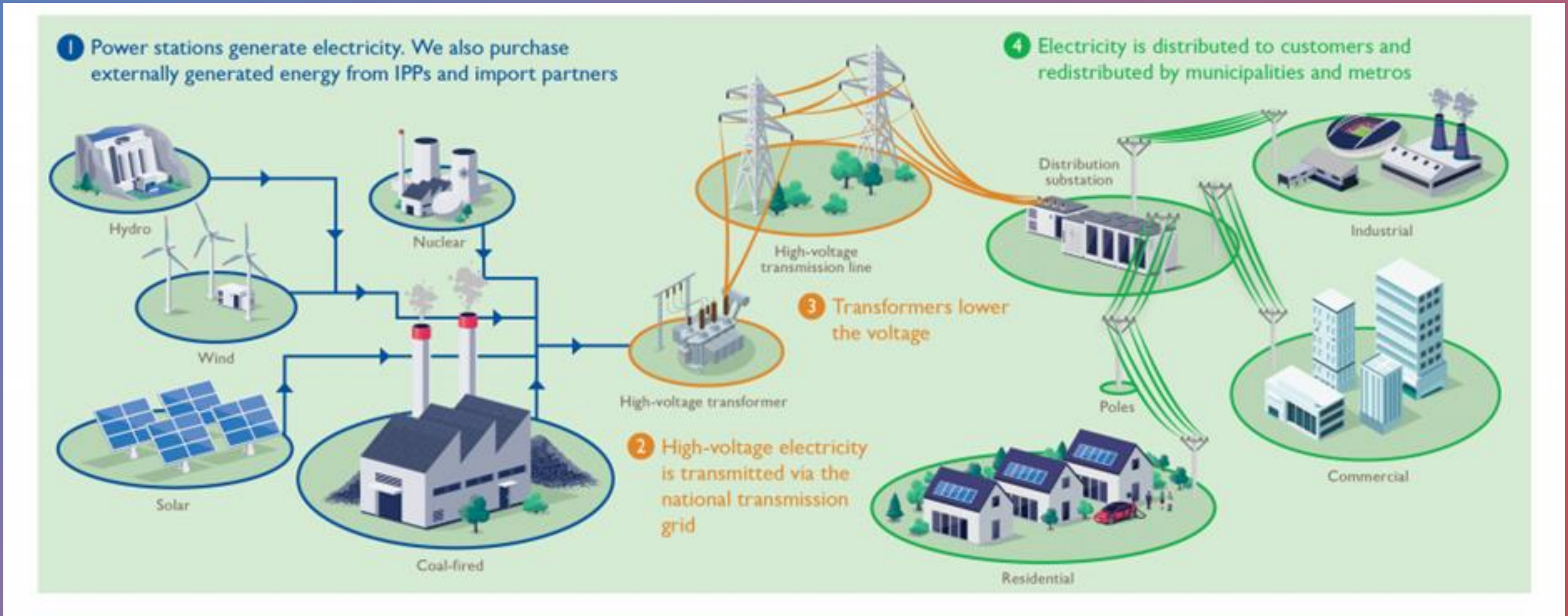
Mining Industry

Automotive Industry

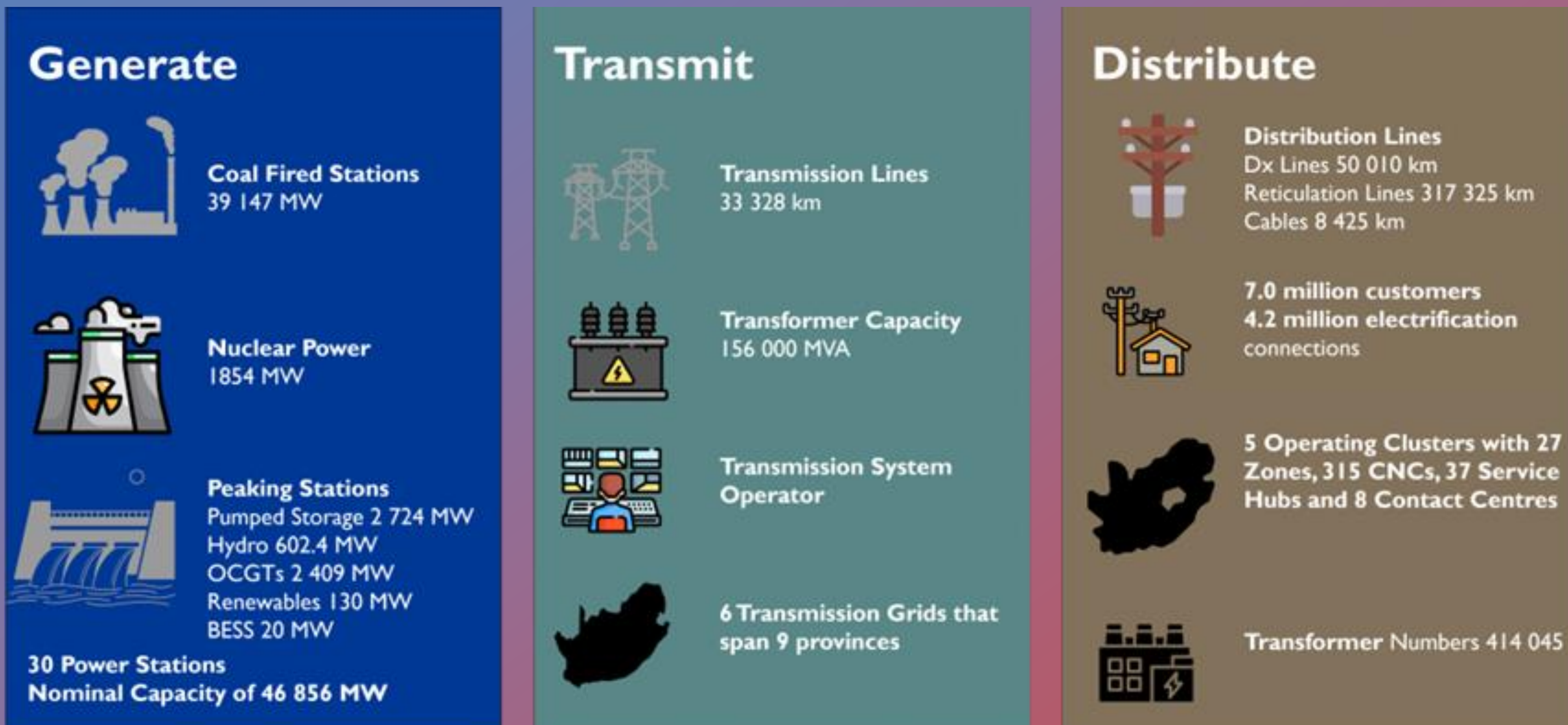
General Industries and Utilities

Transportation

South African electrical reticulation



South African electrical reticulation



Overview of the cable industry

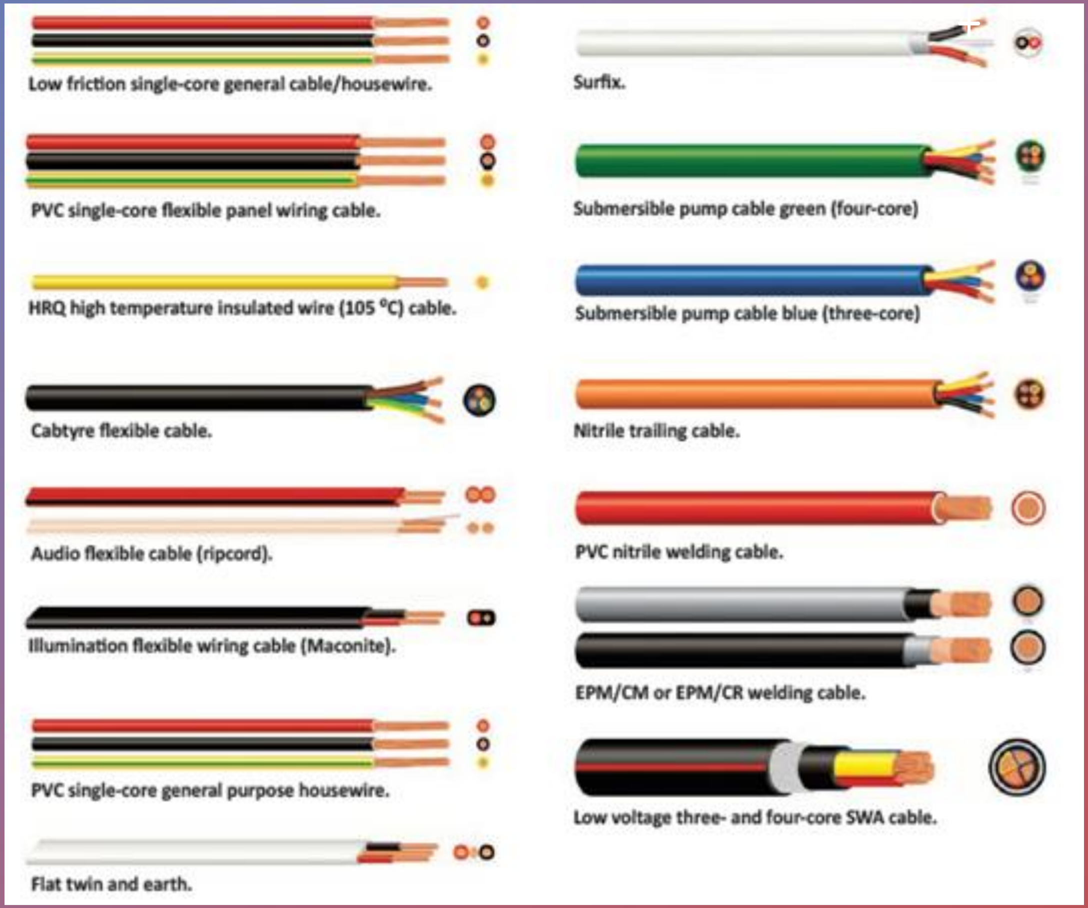
Overview of the cable industry

There are numerous power cable manufacturers in South Africa and most of these are represented by the Association of Electrical Cable Manufacturers of South Africa.

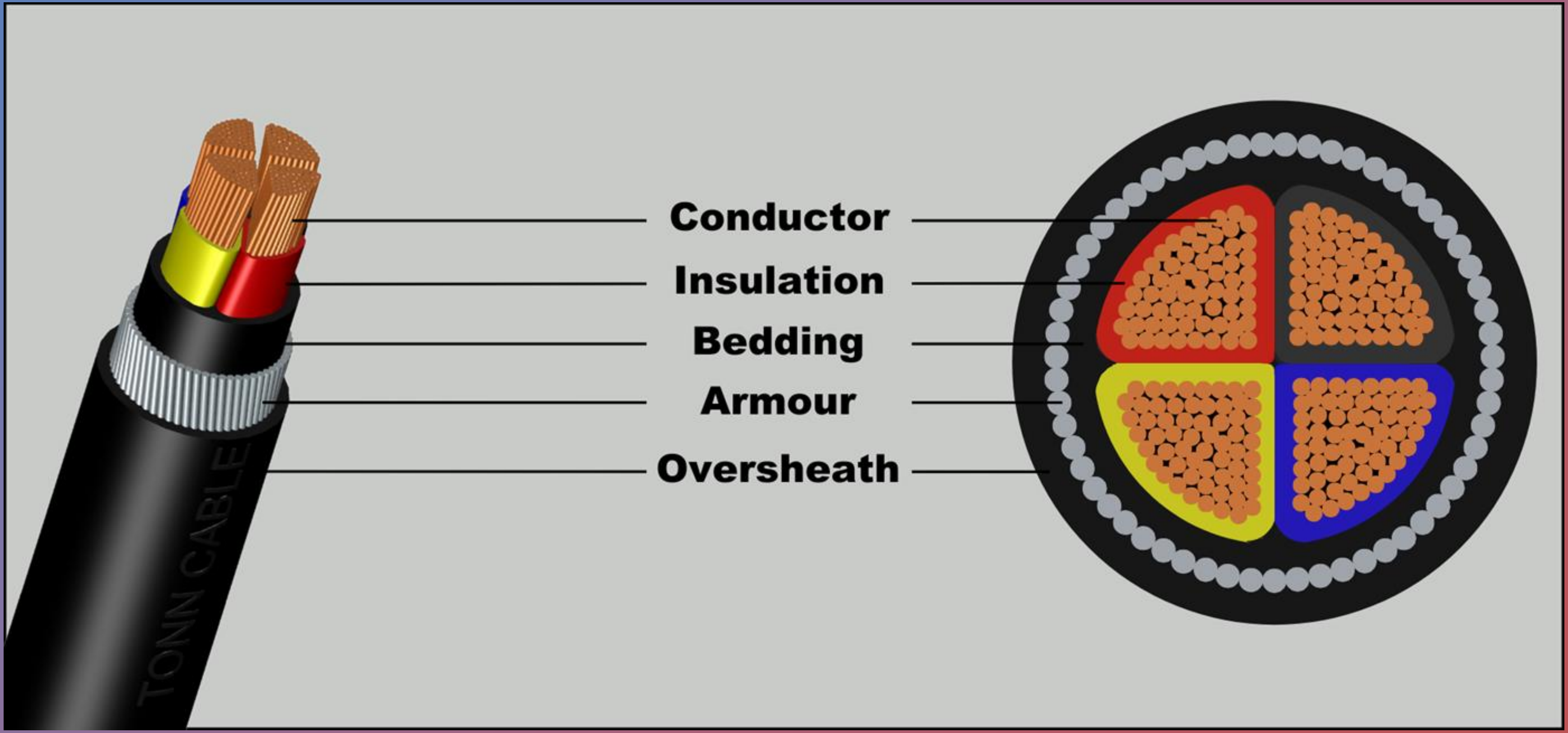
There are several telecoms cable manufacturers

Low voltage power cable make up the bulk of power cables manufactured in South Africa

Low Voltage Cable Types



Low Voltage Cable Construction



The South African electrical cable industry is under siege.

- South Africa’s cable manufacturing sector is under siege as a flood of cheap, substandard imports threatens to dismantle a vital industry, putting thousands of jobs at risk and compromising public safety.

The Current Landscape

- Robust, capable cable manufacturing sector in South Africa.
- Capacity, skills, and standards to meet national demand.
- Facing unfair trade practices, not fair competition.

The Import Surge

- Q1 2025 saw massive influx of imported cables:
  - Low-voltage: 5 806 Tons (↑ from 4 910 Tons in 2024)
  - Medium/High-voltage: 3 050 Tons (↑ from 1 360 Tons)
  - Optical fiber: 891 Tons
- Main sources: China, Portugal, Italy and Zambia
- Prices at unsustainable levels

Low Voltage Cable Import Statistics

Table 1 Imports for Low Voltage Power Cables for Jan to Apr 2025

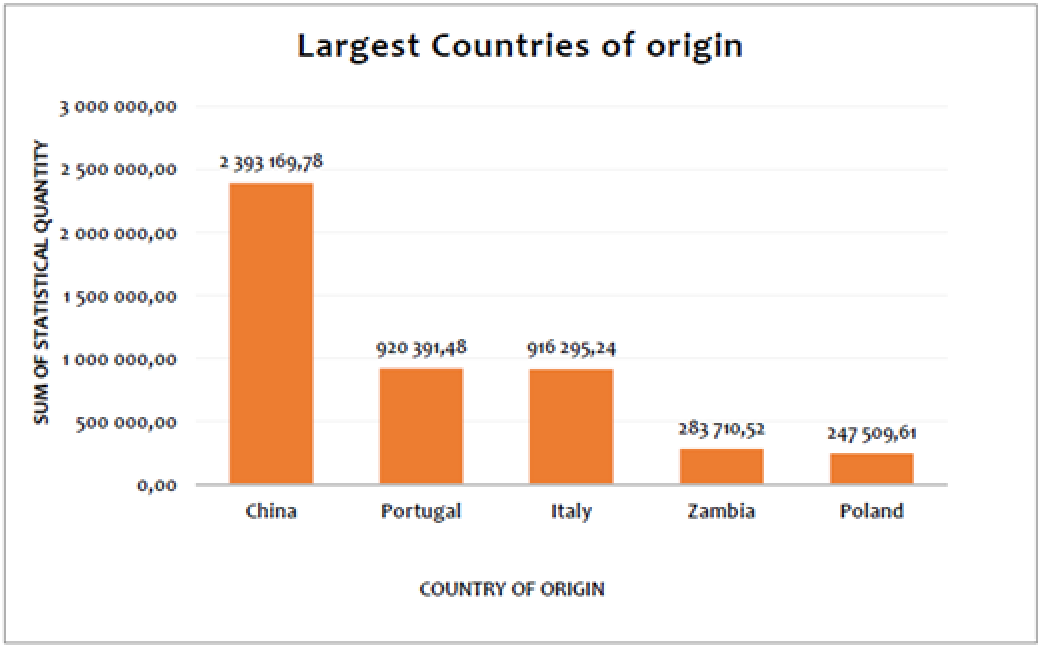
Row Labels	Values Statistical Quantity	Customs Value	R/Volumetric Unit
2025	**5 805 897**	**865 453 404**	**R149,06**
85444910	1 116 125	263 863 154	R236,41
85444921	104 331	11 452 102	R109,77
85444923	24 823	2 703 177	R108,90
85444929	298 116	14 730 927	R49,41
85444931	60 730	11 979 527	R197,26
85444939	48 437	5 639 161	R116,42
85444990	4 153 334	555 085 356	R133,65
Grand Total	**5 805 897**	**865 453 404**	**R149,06**

Table 2 Imports for Low Voltage Power Cables for Jan to Apr 2024

Row Labels	Values Statistical Quantity	Customs Value	R/Volumetric Unit
2024	**4 910 492**	**810 907 276**	**R165,14**
85444910	938 832	210 098 123	R223,79
85444921	227 567	29 237 376	R128,48
85444923	4 766	755 457	R158,50
85444929	77 354	4 433 439	R57,31
85444931	11 089	2 907 034	R262,16
85444939	1 381	856 687	R620,43
85444990	3 649 503	562 619 160	R154,16
Grand Total	**4 910 492**	**810 907 276**	**R165,14**

COMMODITY TRADE OBSERVER
Company Registration Number 2019/170007/07

Low Voltage Cable Import Statistics



China, Portugal and Italy were the main importers to South Africa. Zambia is making a comeback and need to be watched carefully.

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Regulations

- **The South African Cable industry is heavily regulated, and the cost of compliance is exorbitant**
- The South African Bureau of Standards and some independent certification bodies certify most of the locally produced cable products to the relevant National Standards.
- Some cable products are imported into South Africa bearing the SABS mark, without the foreign manufacturers being SABS mark permit holders. This is in contravention of the Standards act.
- Despite this being reported, it seems there is no action from the SABS in this regard.
- Local manufacturers who adhere to the SABS Type 5 certification scheme undergo biannual audits and are required to submit samples to the SABS for evaluation. In contrast, importers are not held to the same standard.
- This hardly seem like level playing fields.

SABS
South African Bureau of Standards

Regulations

national regulator for compulsory specifications

- The National Regulator of Compulsory Specifications' mandate is to “administer compulsory specifications and other technical regulations with the view to protect human health, safety, the environment and ensure fair trade in accordance with government policies”
- Local manufacturers must pay levies bi-annually and must apply for LOA’s at great expense.
- Sub-standard imports are flooding our market, yet the NRCS seem to only concentrate on regulating local manufacturers gauging by the number of sub-standard products in the market.
- This gives importers a cost advantage, as they are not burdened with the expenses associated with compliance.

The Hidden Dangers

- Many imports fail to meet SANS and NRCS standards.
- Substandard cables pose serious risks across safety, performance and economic dimensions.
- Possible causes of substandard cable products:
  - Fire Hazards
  - Electrical Failures
  - Reduced Lifespan of cable
  - Economic impact
  - Risk to human life

Economic Fallout

LOCAL MANUFACTURERS FORCED ONTO SHORT TIME.

THOUSANDS OF JOBS AT RISK.

DOMESTIC PRODUCTION PLUMMETING WHILE IMPORTS SOAR.

THIS IS DUMPING, NOT MARKET COMPETITION.

The Tactics Behind the Threat

Chinese suppliers allegedly:

- Dumping products at unsustainable prices.
- Uses local firms to flood the market.

Similar to the tyre industry

- SARS imposed anti-dumping duties.

What's at Stake

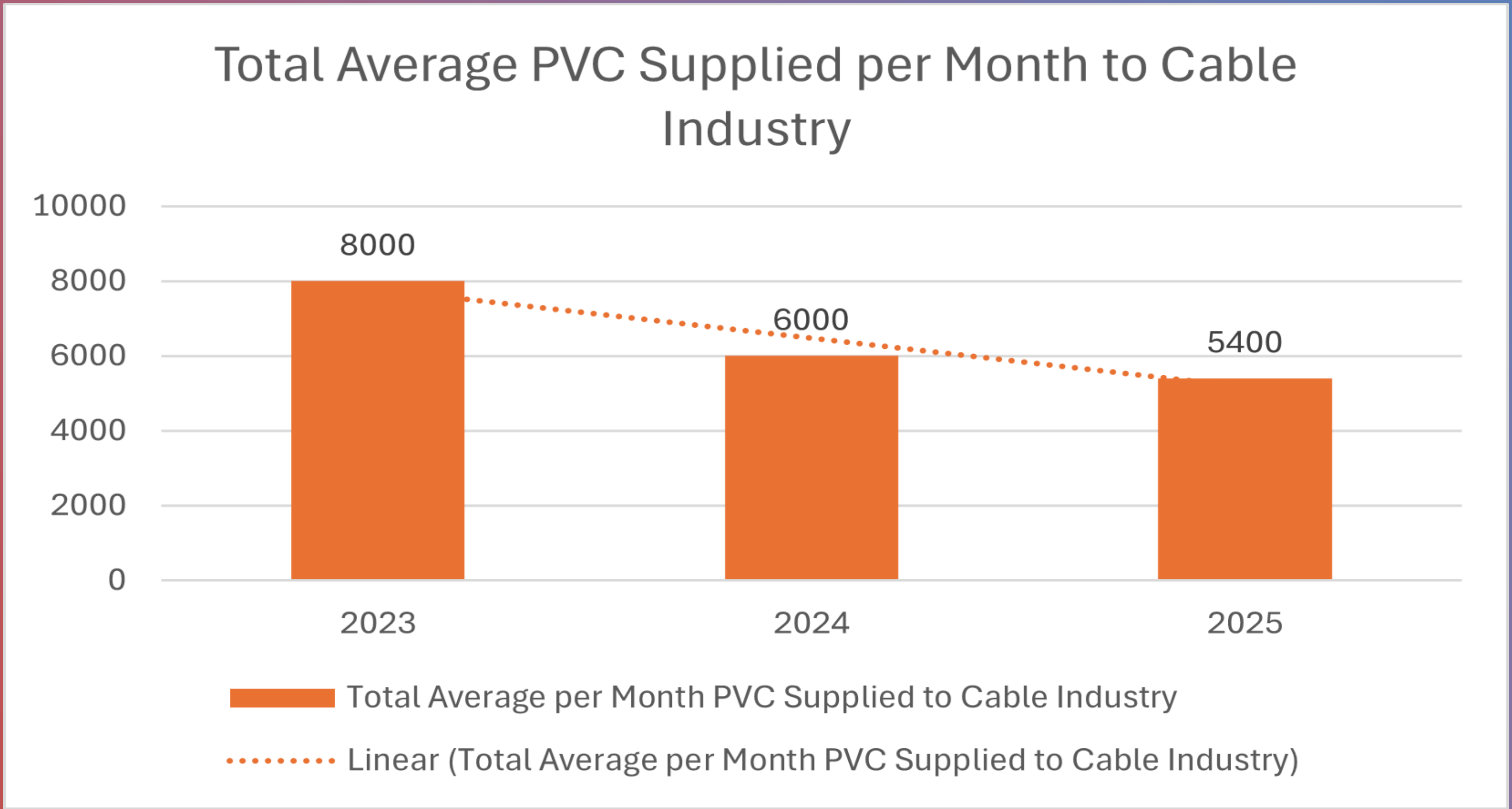
SAFETY

INDUSTRIAL SOVEREIGNTY

THOUSANDS OF LIVELIHOODS

INTEGRITY OF INFRASTRUCTURE

How does this impact the vinyl industry?



How does this impact the vinyls industry?

1. Reduced Domestic Demand for PVC Compounds

Imported cables often come pre-insulated and jacketed, typically using vinyl or other polymers. This reduces the need for local cable manufacturers to source vinyl compounds domestically, leading to a **decline in demand** for PVC from local producers

2. Price Pressure and Competition

Imported cables—especially from countries with lower production costs—can be priced more competitively. This puts pressure on local cable manufacturers to reduce costs, which can lead to **downward pressure on vinyl prices** and margins for PVC compounders

3. Shift in Product Standards and Formulations

Imported cables may use different vinyl formulations or alternative materials (like XLPE or LSZH). This can influence local standards and **shift demand away from traditional vinyl compounds**, forcing local suppliers to adapt or lose market share

4. Impact on Innovation and Investment

With reduced demand and tighter margins, vinyl manufacturers may **scale back R&D and investment** in new formulations or production capacity, potentially slowing innovation in the industry.

5. Supply Chain Disruption

High imports can disrupt established supply chains, especially if local cable manufacturers downsize or shut down. This affects upstream suppliers, including vinyl producers, who may lose long-term clients and face **inventory and logistics challenges**.

What Has The Cable Industry Done?

We have lobbied government, had numerous engagements and have submitted safeguard application

Have reported the influx of nonstandard products to both the NRCS and the SABS

Have engaged the trade unions and employer representative organisations

The industry associations have trained customs officials at no charge

The Call to Action

CONTINUE TO LOBBY THE DTIC FOR ASSISTANCE BY IMPOSING HIGHER IMPORT DUTIES

GOVERNMENT TO PRIORITISE LOCALLY MANUFACTURED PRODUCTS

NRCS AND SABS TO ENSURE EQUAL REGULATIONS FOR ALL LOCAL AND IMPORTED CABLE PRODUCTS

INDUSTRY STAKEHOLDERS TO UNITE IN DEFENSE OF LOCAL MANUFACTURING.

Conclusion

This is about South Africa's future.

Let's not wait for more fires, job losses, and economic damage.

Act together to protect what we've built.

Thank You

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Let's keep the current flowing—safely, locally, and sustainably.