

ArcelorMittal South Africa announces 4,000 job cuts

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ArcelorMittal South Africa (AMSA), one of the continent's largest steel producers and a subsidiary of the global steel giant, ArcelorMittal, the world's second-largest steel producer, has announced over 4,000 job cuts, surpassing the prior announcement of 3,500 layoffs earlier this year.

The company plans to close its long steel plants in Newcastle and Vereeniging and restructure operations at Vanderbijlpark, wiping out tens of thousands of indirect jobs in mining, transport, logistics, and countless small businesses that rely on the wages of steelworkers, unleashing a social disaster across entire communities.

AMSA's origins lie in the state-owned Iron and Steel Corporation of South Africa (IsCOR), founded in 1928. For decades, IsCOR was the backbone of South African industrialisation, producing the bulk of the steel used in construction, mining, rail, and manufacturing. Its growth rested on the brutal exploitation of black labour under the Apartheid regime. In 1989, amid mass working-class struggles that were shaking the Western-backed Apartheid regime, IsCOR was privatised in a fire sale by the white Afrikaner ruling class, eager to strip state assets before handing political power to Nelson Mandela's African National Congress.

IsCOR's privatisation was followed by a restructuring in 2001, when its mining assets were spun off into Kumba Resources, leaving steel as its main operation. Three years later, in 2004, the global conglomerate Mittal Steel, controlled by Indian billionaire Lakshmi Mittal, once ranked by Forbes as the sixth richest man in the world, acquired a controlling stake in IsCOR. The merger of Mittal Steel and Arcelor in 2006 then produced AMSA.

Claims that privatisation would revitalise the steel industry proved a fraud. Through the 2010s, AMSA repeatedly posted losses even as it sacked thousands of workers and shut down capacity, only earning a profit in 2019. Between 2014 and 2020 alone, the workforce was slashed from 15,000 to just 7,000. Each round of cuts was justified with the mantra of "efficiency" and "restructuring".

AMSA's plant closures, first announced in November 2023, were postponed three times before the company made its final announcement in September 2025. The company blamed spiralling electricity costs, worsened by rolling blackouts imposed by Eskom, the state-owned electricity company that generates 90 percent of South Africa's power, and the breakdown of rail transport under Transnet, the state-owned ports and rail monopoly.

AMSA is heavily reliant on Transnet Freight Rail, which moves 91 percent of its iron ore and all its coking coal to its plants. The collapse of rail has forced the company to use far costlier road haulage. Eskom's blackouts further crippled production, at times compelling Vanderbijlpark to shut down for up to eight hours a day.

These crises are the product of decades of ANC capitalist rule, in which state-owned enterprises like Eskom and Transnet have been systematically looted by a corrupt elite that cloaks its plunder in the language of "black empowerment", a cynical cover for anti-working-class politics aimed at creating a thin layer of black capitalists, of whom President Cyril Ramaphosa, one of South Africa's richest men, has been a prime beneficiary.

These problems, however, cannot be simply reduced to corruption. They are inseparable from the global capitalist crisis. Across the world, steel capacity has vastly outstripped demand, with 113,000 jobs destroyed between 2013 and 2021 in OECD economies alone. In Europe, entire regions have been devastated by steel closures, such as the Redcar plant in Teesside, UK, where 1,700 jobs were wiped out.

Governments have only intervened where steel is deemed essential for war production, as in Britain, where loss-making steel plants are being taken over on the grounds of maintaining capacity for the military economy.

South Africa's steel consumption has collapsed by 20 percent over the past seven years, reflecting the combined impact of contracting auto industry and construction sectors, the collapse of public infrastructure spending, and the global oversupply of steel.

South Africa's manufacturing capacity for crude steel stands at 8-9 million tonnes a year, but demand was only five million tonnes in 2023. Of this, AMSA supplied 2.8 million tonnes. With China dominating global production using more advanced and cost-efficient methods, AMSA's losses ballooned from about \$100 million in 2023 to \$270 million in 2024. This despite the ANC pouring in \$180 million in bailouts with no binding requirements to protect jobs.

The collapse is not confined to steel. Workers across South Africa are facing a jobs bloodbath. In 2025 alone, Daybreak Foods, one of the country's largest poultry producers, cut 2,200 jobs. Goodyear, the US tyre manufacturer, shut down operations and destroyed 900 jobs. Ford slashed nearly 500 jobs, adding to the 4,000 jobs already wiped out in the past two years. Glencore, the Swiss-based commodities conglomerate, is threatening

thousands more job cuts. The South African Post Office has axed 4,000 workers.

Manufacturing employment has already plunged from 1.4 million in 2005 to just over a million in 2021, a loss of more than 300,000 jobs in a decade and a half. This crisis is set to deepen, with the Reserve Bank warning that US tariffs could wipe out a further 100,000 jobs in the auto and agriculture sectors.

Workers must not accept this destruction of jobs and livelihoods. Steelworkers, auto workers, miners, postal employees and the broader working class face a common assault and must draw political lessons from their experiences. Three stand out.

The first is the role of the trade unions. For decades they have not been instruments of struggle but mechanisms for enforcing defeats. At every stage in the dismantling of South Africa's steel industry, they have acted to suppress opposition, tie workers to the ANC government, and protect their own positions and privileges.

When AMSA announced its first closure plans in November 2023, the South African Federation of Trade Unions (SAFTU)—representing roughly 800,000 workers across 24 affiliate unions—acknowledged that tens of thousands of jobs had already been wiped out since privatisation. Yet SAFTU refused to mobilise workers against the closures.

Instead it issued appeals to the ANC to “re-nationalise steel and increase spending on an extensive infrastructure rollout, so as to create a market for state-owned, worker-controlled steel industry revitalisation, not for capitalists.” SAFTU knows that the ANC government has no intention of renationalising AMSA, let alone creating a “worker-controlled” steel industry.

The National Union of Metalworkers of South Africa (NUMSA), the country's largest metalworkers' union with over 338,000 members, has also intervened to prevent strike action. In November 2024, NUMSA called off a wage strike after General Secretary Irvin Jim was “briefed” by AMSA CEO Kobus Verster, and issued a joint statement with the company, recognising “the need to settle the strike promptly”. The strike, which had the potential to rally wider layers of workers against job cuts and wage suppression, was then shut down as NUMSA's appealed to the ANC to convene “social partners” in the steel and auto sectors.

The National Union of Mineworkers (NUM) limited its response to calling on the government to intervene to save jobs at Assmang's Beeshoek iron ore mine, which has already lost nearly 700 jobs after AMSA terminated contracts. The Solidarity trade union postured about “fiercely resisting” AMSA layoffs, but confined its activity to legal manoeuvres and press statements.

The essential role of the unions is as industrial policemen, ensuring that opposition does not break out into a direct struggle against the corporations and the state.

The second lesson is the role of the rival nationalist movements, above all the Economic Freedom Fighters (EFF). When AMSA confirmed the closures, the EFF declared: “The government cannot continue to wash its hands while South Africa's industrial backbone is dismantled. We reiterate that the state must pursue a programme of industrial recovery through nationalisation, investment in infrastructure and decisive support for domestic production.”

The EFF does not call on workers to fight the closures, strike, or

build independent organisations of struggle. Instead, it appeals to the ANC, the instrument of capitalist rule that has overseen privatisation, looting, and mass job destruction. Its call is not for socialist nationalisation under workers' control, but for nationalist restructuring under the corrupt state apparatus that has already plundered Eskom, Transnet, and other state assets.

The perspective advanced by the EFF is that post-apartheid capitalism can be reformed if only the state acts decisively. As EFF leader Julius Malema told Business Day on Friday, “The parties that can work together is the EFF, MK and the ANC and then it can bring stability but also the political will to change the lives of our people.”

This is a fraud. Three decades after 1994, the working class faces mass unemployment, collapsing infrastructure, and deepening poverty, while a thin layer of black capitalists, Ramaphosa among them, has enriched itself alongside international finance. EFF's nationalist programme of “industrial recovery” offers nothing to the working class.

The third lesson emerging from the first two is the need to build independent organisations of struggle and a new political leadership. Workers must form rank-and-file committees in every factory, mine, and workplace to unite across industries, break free from the unions' suffocating grip, and prepare common action against closures, wage cuts, and privatisation.

Above all, what is required is the building of a Trotskyist party in South Africa, a section of the International Committee of the Fourth International (ICFI). Such a party would arm workers with an internationalist and socialist programme: the expropriation of the corporations, the placing of industry under workers' control, and the reorganisation of the economy to meet human needs, not private profit.

Only through this struggle, linked with workers across the world, can the South African working class put an end to the devastation wrought by post-apartheid capitalism and open the road to genuine equality and socialism.



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