



THE ILLEGAL TRADING OF NON-FERROUS METAL AND THE IMPLICATIONS IT HAS FOR THE ECONOMY AND INFRASTRUCTURE

The theft of non-ferrous metal has become a serious problem and harms many people directly and indirectly. Although the problem regarding the theft of non-ferrous metal, especially copper and aluminium, has existed for many years, it has escalated to unprecedented levels since 1993, with annual losses that run into billions of rand.

The theft of non-ferrous metal brings cities to their knees as it causes extensive blackouts and power cuts. Organised gangs plunder kilometres of the country's electricity and telephone lines to sell as scrap, and it seems that they are not going to give up their lucrative business any time soon.

Copper and aluminium are stolen from overhead lines, substations, signal cables, underground cables, transformers and from railway carriages (basins, bearings, taps, window frames, etc.). Spoornet faces the challenge of securing about 23 000 km of rail track with limited security resources.

The thieves

Thieves generally work at night, armed with trucks, pulleys, industrial cutting tools and tractors to flatten the pylons and poles to get hold of the copper. These criminals fall into two groups: organised crime syndicates, who tend to export their loot; and subsistence thieves who steal a couple of metres at a time. These thieves often use the excuse that they must do this just so that they can feed themselves and their families.

Syndicates are highly sophisticated as they have state-of-the-art equipment such as trucks with pulleys, and are experts at first disconnecting the electricity, so they can steal the cables without getting electrocuted. For inexperienced thieves, the risks are high as they can easily electrocute themselves. Syndicates on the other hand use individuals who are desperate for an income to steal copper cables and pipes at great personal risk. The cables are then stripped and sold as scrap metal to dealers.

The impact of the illegal trading of non-ferrous metal on the victims

The impact of non-ferrous metal theft on Eskom, Spooonet, Telkom and the South African economy in general is enormous and it is impossible to determine the real cost to victims. The theft of non-ferrous material harms us in many ways, such as:

- the replacement cost to repair infrastructure (material and additional man hours);
- the transport costs when people must pay for other forms of transport because trains are delayed;
- the cost of equipment and vehicles;
- the cost of electronic equipment, alarms and monitoring;
- the extra costs to safeguard personnel and infrastructure, especially at night;
- the negative publicity for South Africa, which leads to the loss of existing and potential investors;
- the incalculable cost of human lives (for example when a train derails, or accidents due to traffic lights that are not working);
- the private and public business sectors need electricity and telephone lines to do their work, and the loss of these services impacts negatively on their productivity, planning and profit margins; and
- the price hikes which must be absorbed by law-abiding, tax-paying citizens.

The cost of illegal trading and stolen non-ferrous metal in South Africa

Copper cable theft costs the South African economy an estimated R5 billion per year. These numbers must be multiplied by at least ten to determine the overall economic loss. The indirect cost of cable theft also includes the loss of income, the disruption of essential services, labour costs to repair the affected networks as well as security measures, as cited above.

The massive increase in cable theft in the past year can mostly be attributed to the tripling of the price of copper in recent years. The current high price of second-hand copper ranges between R32 000 - R45 000 per tonne.

The damage done by the thieves amounts to more than the value of the actual material stolen, as the full cost of replacement, the damages suffered by consumers and the personnel costs are at least three times as much as the cost of the stolen material.

NFTCC to address non-ferrous metal theft

The Non-Ferrous Theft Combating Committee (NFTCC) was formed in 1993 in an attempt to address and combat this type of crime. All major role-players (such as the SAPS, Eskom, Telkom,

Transnet, BAC, etc.) are represented on the NFTCC. At the national conference the NFTCC adopted the following strategic intent: "The NFTCC is an integrated body of key role-players that provides strategic guidance and direction for the process of the prevention and eradication of the theft of non-ferrous metal so that the quality supply of strategic services can be ensured to the benefit of all the people in South Africa."

Contributory factors to the theft of non-ferrous metal

Several factors contribute to the theft of non-ferrous metal, including:

- Increasing numbers of illegal immigrants desperate for work.
- Increased unemployment.
- The involvement of organised crime syndicates.
- The huge demand for copper and aluminium locally and internationally.
- Insufficient control/legislation regarding processing, sales, import and export.
- Criminals know that they, if caught, will only receive light sentences.
- The most important contributory factor is the readily available scrap market where criminals can sell stolen material.
- This stolen material is routed through various ways back into the chain of processing, manufacturing and supply.
- Large amounts of stolen material are exported to markets abroad.

The scrap metal market

There are approximately 1000 registered scrap metal dealers and nearly 3000 bucket shop type dealers in the country. Most companies mark their material, which can be identified as the property of a specific organisation. Scrap metal dealers need to take notice of this. The SAPS, supported by members of the NFTCC, carry out regular pro-active operations on certain identified scrap merchants.

Reasons why non-ferrous metal crimes are not resolved

There are many reasons why cases of non-ferrous metal theft are not resolved, including:

- The very high prices paid for non-ferrous metal.
- Easily accessible markets.
- No proper Scrap Dealers Control Act.
- No control over exports.
- Easy granting of bail.
- Light sentences.

