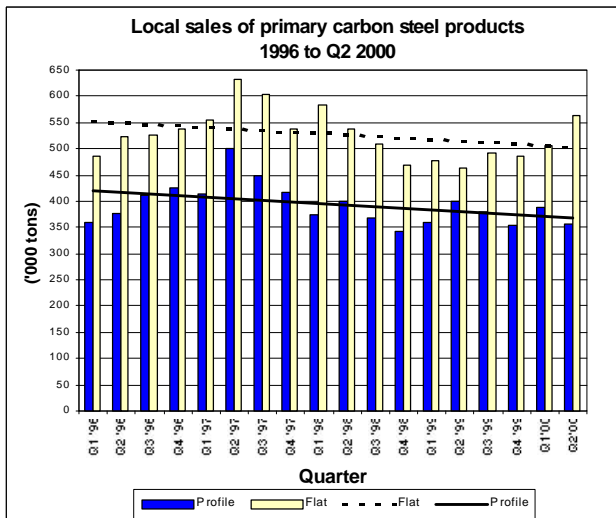


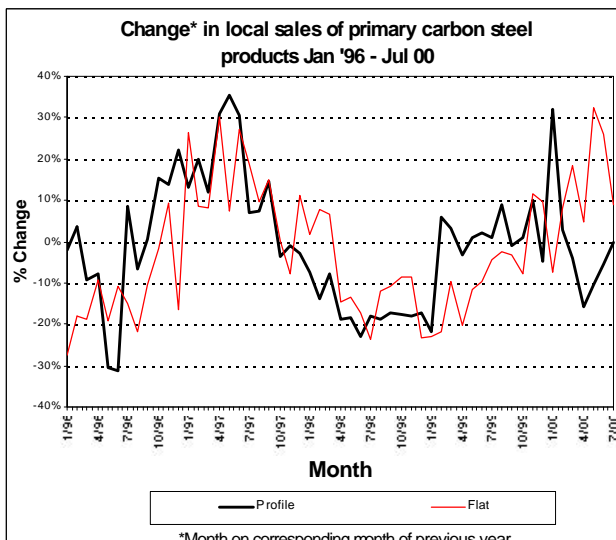


## DOMESTIC CARBON STEEL SALES MAINTAINS GROWTH MOMENTUM

Total domestic steel sales increased by 6,6% during the first seven months of 2000 compared with the first seven months of 1999. However, during this period local despatches of flat carbon steel products increased by 13,2% compared with the first seven months of 1999 while the despatches of profile products showed a decline of 1,5% during the same period.



The latest occurrence of global turmoil in the international financial markets tends to conceal the fact that real economic growth prospects, both domestic and abroad, are still on track. The outlook for the South African economy during 2000 started the year with high expectations, however, economic confidence has suffered heavily during the first half of 2000 essentially due to fears of an overheating US economy, the rand depreciating against a strong US dollar, the relative weak performance of the domestic economy, increasing oil prices and the political instability in Zimbabwe. The economy is expected to regain momentum during the second



\*Month on corresponding month of previous year

Steelnews is the official newsletter of the South African Iron and Steel Institute.

Comments on the contents and contributions for future editions are welcomed and should be sent to the Editor.

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### Total local sales of primary carbon steel products-Jan.1999 to July 2000 ('000 tons)

MONTH	1999			2000		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	93.8	161.1	254.9	123.8	149.2	273.0
FEB	131.0	150.4	281.4	134.6	162.9	297.5
MAR	134.2	164.7	298.9	129.0	195.0	324.0
Q1	<b>359.0</b>	<b>476.2</b>	<b>835.2</b>	<b>387.4</b>	<b>507.1</b>	<b>894.5</b>
APRIL	126.9	144.3	271.2	106.9	151.4	258.3
MAY	136.7	156.2	292.9	122.5	206.8	329.3
JUNE	135.2	162.7	297.9	127.9	204.8	332.7
Q2	<b>398.8</b>	<b>463.2</b>	<b>862.0</b>	<b>357.3</b>	<b>563.0</b>	<b>920.3</b>
JULY	121.4	158.9	280.3	121.1	172.8	293.9
AUG	127.8	159.2	287.0			
SEP	130.2	173.0	303.2			
Q3	<b>379.4</b>	<b>491.1</b>	<b>870.5</b>	<b>121.1</b>	<b>172.8</b>	<b>293.9</b>
OCT	135.3	173.5	308.8			
NOV	145.1	185.0	330.1			
DEC	72.6	127.3	199.9			
Q4	<b>353.0</b>	<b>485.8</b>	<b>838.8</b>			
TOTAL	<b>1 490.2</b>	<b>1 916.3</b>	<b>3 406.5</b>	<b>865.8</b>	<b>1 242.9</b>	<b>2 108.7</b>

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half of 2000 mainly due to healthy export achievements and the growth of private demand.

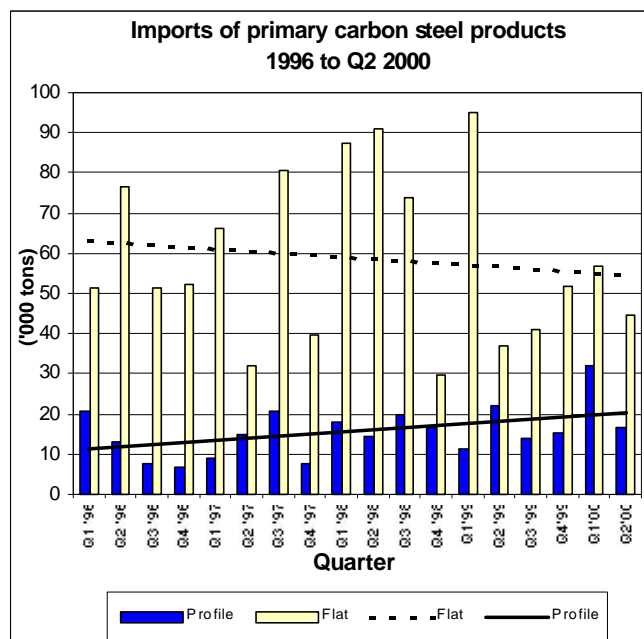
All the major economic regions in the world are enjoying a rare synchronised economic recovery and the demand and prices of commodities are increasing. Increased certainty about the US economy eventually slowing down and stability of Wall Street will allow foreign investor confidence to return to South Africa. The economy will also benefit from the absence of pressure on prices from the demand side of the economy as indicated by money supply, credit extension and inflation indicators as well as the expected record harvests.

Growth in steel demand is expected to progressively improve during 2000 at a rate of probably 4%. The demand for steel products related to consumer goods is expected to benefit from regained economic confidence and the replenishment of business inventories. It is expected that an increase in the demand for steel products related to the construction industry will be marginal, as the revival in fixed investment appears somewhat subdued during 2000.

## STEEL IMPORTS RISE DUE TO HOT-ROLLED COIL IMPORTS DURING JULY

According to statistics from Customs and Excise, imports of primary carbon steel products (exc. wire and stainless, incl. rails) increased by 8% during the first seven months of 2000, compared with the first seven months of 1999. The rise in imports was mainly the result of the import of 24 870 tons of hot-rolled coil < 3mm from Russia during July 2000.

The imports of profile products increased by 54,5% during the first seven months of 2000 compared with the corresponding period of 1999, mainly due to the significant import volumes of wire rod and bar during March 2000. Imports as a percentage of total local despatches increased to 9,2% during the first seven months of 2000, compared with 8,4% during 1999 as a whole.



## Imports of primary carbon steel products - Jan. 1999 to July 2000 ('000 tons)

MONTH	1999			2000		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	3.6	27.0	30.6	5.7	21.0	26.7
FEB	3.6	27.3	30.9	6.7	14.2	20.9
MAR	4.1	40.6	44.7	19.8	21.5	41.3
<b>Q1</b>	<b>11.3</b>	<b>94.9</b>	<b>106.2</b>	<b>32.2</b>	<b>56.7</b>	<b>88.9</b>
APRIL	9.1	13.7	22.8	7.2	15.9	23.1
MAY	8.9	9.5	18.4	4.6	13.9	18.5
JUNE	3.9	13.6	17.5	5.0	14.9	19.9
<b>Q2</b>	<b>21.9</b>	<b>36.8</b>	<b>58.6</b>	<b>16.8</b>	<b>44.7</b>	<b>61.5</b>
JULY	3.1	12.3	15.4	7.1	37.2	44.3
AUG	3.7	15.7	19.4			
SEP	7.3	13.1	34.8			
<b>Q3</b>	<b>14.1</b>	<b>41.1</b>	<b>55.2</b>	<b>7.1</b>	<b>37.2</b>	<b>44.3</b>
OCT	6.8	27.6	34.4			
NOV	3.2	10.3	13.5			
DEC	5.5	14.1	19.6			
<b>Q4</b>	<b>15.5</b>	<b>52.0</b>	<b>67.5</b>			
<b>TOTAL</b>	<b>62.8</b>	<b>224.8</b>	<b>287.6</b>	<b>56.1</b>	<b>138.6</b>	<b>194.7</b>

## South Africa's ten most important steel trading partners in 1999 and 2000 (7 months)

Imports ( '000 tons)

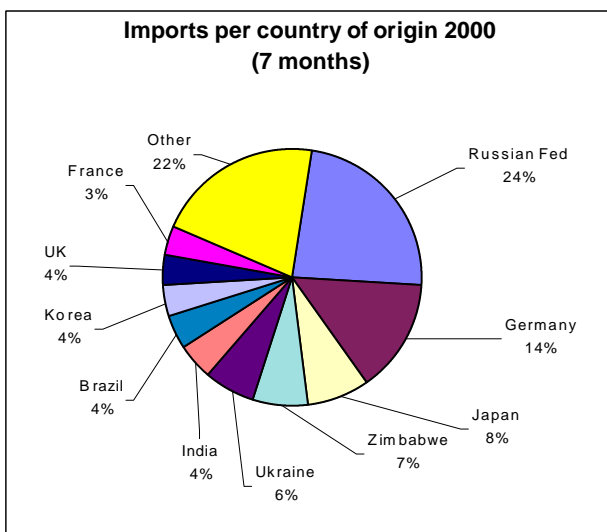
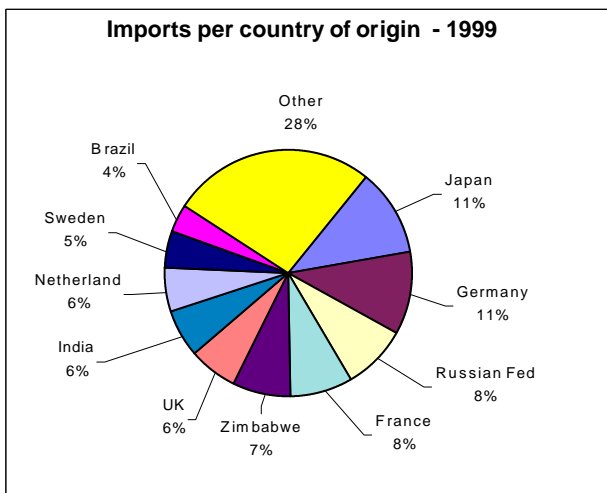
(All products incl. stainless and finished wire )

Countries	1999	Countries	2000(07)
Japan	37.448	Russian Fed	51.485
Germany	34.331	Germany	30.938
Russian Fed	26.972	Japan	16.819
France	26.268	Zimbabwe	15.143
Zimbabwe	24.244	Ukraine	14.218
UK	21.148	India	9.565
India	20.325	Brazil	9.542
Netherland	19.300	Korea	8.972
Sweden	15.163	UK	8.795
Brazil	13.110	France	7.605
<b>Total 10 countries</b>	<b>238.309</b>	<b>Total 10 countries</b>	<b>173.082</b>
<b>Total imports</b>	<b>326.083</b>	<b>Total imports</b>	<b>220.266</b>
<b>10 Countries/total</b>	<b>73.1%</b>	<b>10 Countries/total</b>	<b>78.6%</b>

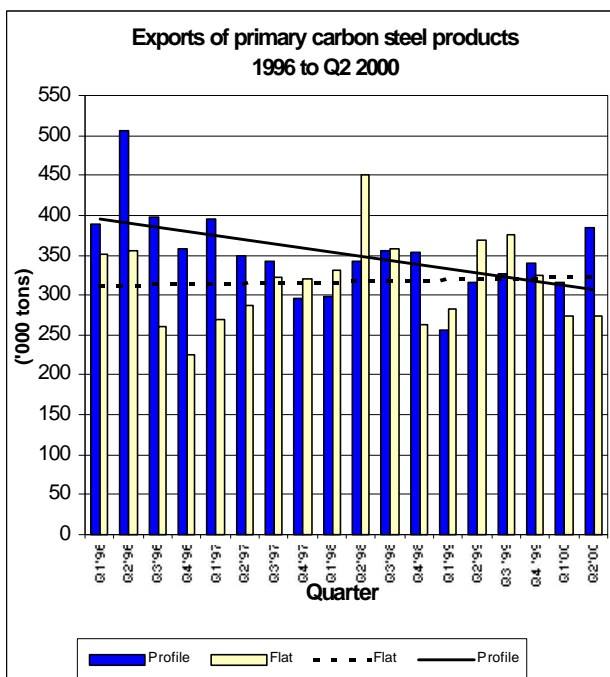
Source: Customs and Excise

Imports of all primary steel products from the Russian Federation during the first seven months of 2000 amounted to 24% of all South African steel imports. Imports from Russia mostly consisted of the hot-rolled coil consignment of 24 870 tons but also included 19 492 tons of cold-rolled coil. Imports of cold-rolled coils from Russia amounted to 83,2% of all cold-rolled imports into South Africa during the first seven months of 2000. Imports from Zimbabwe during the first seven months of 2000 included 6 037 tons of reinforcing bar, 2 550 tons of bright bar and 3 740 tons of alloy steel bars and sections.

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**EXPORTS DURING SECOND QUARTER OF 2000 UP ON FIRST QUARTER 2000 EXPORTS**



Exports of primary carbon steel products, as reported by the members of SAI SI, increased during the second quarter of 2000 by 11.6% compared with exports during the first quarter of 2000 but were 4,1% lower than exports during the second quarter of 1999. The rise in exports during the second quarter 2000 compared with the first quarter of 2000 was the result of a 21,8% rise in the exports of profile products.

The exports of profile products during the first seven months of 2000 amounted to 57,9% of total exports compared with 47,8% of total exports during 1999 as a whole.

**Exports of primary carbon steel products reported by the primary steel producers - Jan. 1999 to July 2000 ( '000 tons)**

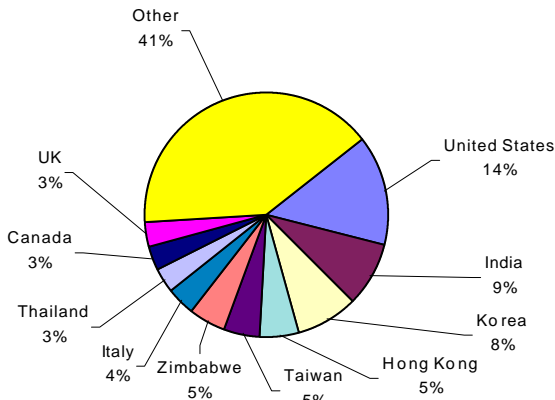
MONTH	1999			2000		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	77.9	80.5	158.4	106.1	89.0	195.1
FEB	84.7	96.8	181.5	121.3	118.4	239.7
MAR	94.0	105.6	199.6	87.9	66.8	154.7
<b>Q1</b>	<b>256.6</b>	<b>282.9</b>	<b>539.5</b>	<b>315.3</b>	<b>274.2</b>	<b>589.5</b>
APRIL	97.4	107.8	205.2	114.8	79.3	194.1
MAY	112.0	123.0	235.0	105.3	100.2	205.5
JUNE	106.7	138.8	245.5	163.9	94.4	258.3
<b>Q2</b>	<b>316.1</b>	<b>369.6</b>	<b>685.7</b>	<b>384.0</b>	<b>273.9</b>	<b>657.9</b>
JULY	105.8	109.0	214.8	115.0	44.7	159.7
AUG	113.0	151.3	264.3			
SEP	108.9	116.1	225.0			
<b>Q3</b>	<b>327.7</b>	<b>376.4</b>	<b>704.1</b>	<b>115.0</b>	<b>44.7</b>	<b>159.7</b>
OCT	117.8	116.0	233.8			
NOV	115.7	104.4	220.1			
DEC	106.1	103.2	209.3			
<b>Q4</b>	<b>339.6</b>	<b>323.6</b>	<b>663.2</b>			
<b>TOTAL</b>	<b>1 240.0</b>	<b>1 352.5</b>	<b>2 592.5</b>	<b>814.3</b>	<b>592.8</b>	<b>1 407.1</b>

**South Africa's ten most important steel trading partners during 1999 and 2000 (7 months)**  
Exports ( '000 tons)  
(All products incl. stainless and finished wire)

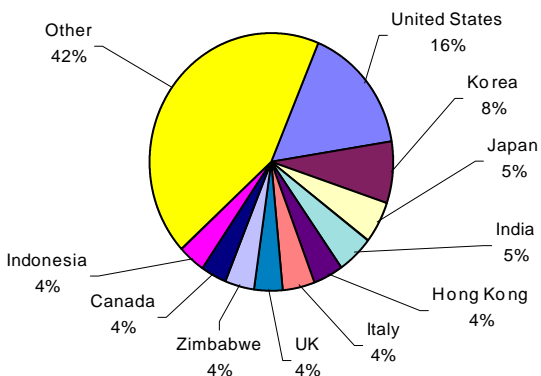
Countries	1999	Countries	2000(07)
United States	522.3	United States	356.1
India	310.4	Korea	170.8
Korea	288.3	Japan	113.0
Hong Kong	194.5	India	107.5
Taiwan	170.9	Hong Kong	91.3
Zimbabwe	167.2	Italy	90.1
Italy	141.2	UK	86.7
Thailand	120.2	Zimbabwe	81.4
Canada	119.0	Canada	78.0
UK	117.2	Indonesia	77.7
<b>Total 10 countries</b>	<b>2 151.0</b>	<b>Total 10 countries</b>	<b>1252.5</b>
<b>Total exports</b>	<b>3 635.1</b>	<b>Total exports</b>	<b>2 212.2</b>
<b>10 Countries/ total</b>	<b>59.2%</b>	<b>10 Countries/ total</b>	<b>56.6%</b>

Source: Customs and Excise

**Exports per country of destination 1999**



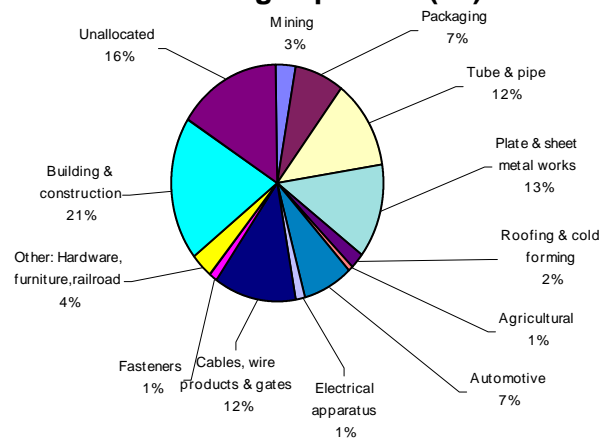
**Exports per country of destination 2000 (7 months)**



**SALES TO INDUSTRIAL GROUPS - 2000 (QUARTER 1 & 2)**

Carbon steel sales to industrial groups Tonnes		
	2000 Q1	2000 Q2
1 Mining	29455	28645
2 Total manufacturing	556729	564372
Packaging	72656	68406
Structural Metal	228577	250071
Tube & pipe	106586	112656
Plate & sheet metal works	104714	115707
Roofing & cold forming	17277	21708
Agricultural	8146	6171
Automotive	60019	68387
Electrical apparatus	11003	12465
Cables, wire products & gates	124929	114980
Fasteners	12213	9893
Other: Hardware, furniture, railroad	39186	33999
3 Building & construction	181948	181932
4 Unallocated	132461	150035
5 Total	900593	924984

**Sales of primary steel products to industrial groups - 2000(Q2)**



**STOCKS OF PRIMARY STEEL PRODUCTS ON HAND AT END OF QUARTER 1 AND 2 OF 2000 - (Tons)**

Products	March 2000	June 2000
1 Basic primary forms	520518	469091
2 Iron and non-alloy steel	1508663	1563119
A Semi-finished products	221646	247554
B Total finished products	1287017	1315565
C Total flat rolled products	848491	877582
i Hot-rolled	522007	556047
ii Cold-rolled	160286	168256
iii Clad, plated or coated	166198	153279
D Total profile products	438526	437983
i Bars and rods	99842	86078
ii Angles and sections	338684	351905
3 Stainless steel products	44200	45536
4 Other alloy steel	5270	4592
5 Other products	109872	107682
i Tubes & pipes	69681	69888
ii Wire	33575	32037
iii Other	6616	5757

Source: South African Iron and Steel Institute

**Stocks of primary steel products on hand at the end of June 2000**

