



Steelnews is the official quarterly newsletter of the South African Iron and Steel Institute (SAISI).

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## Domestic carbon steel sales declined by 16,6% during first half of 2003

Total domestic carbon steel sales declined by 16,6% during the first half of 2003 compared with the first half of 2002. During this period sales of carbon steel long products decreased by 16,0% while sales of flat products decreased by 17,1%.

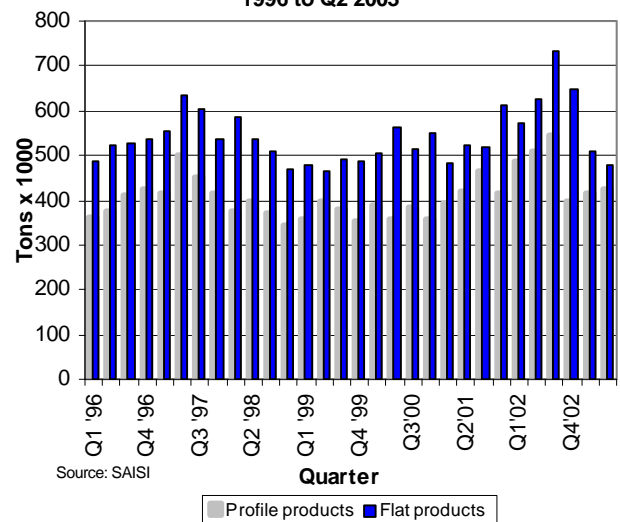
Domestic carbon steel sales decreased by 2,3% during the second quarter of 2003 compared with the first quarter of 2003. Profile product sales increased by 2,4% while sales of flat products decreased by 6,1% during this period.

The lacklustre performance of the world economy continued during the first half of 2003 and uncertainty was reinforced by the declining flexibility of both monetary and fiscal conditions in the major economies. However, with the sluggish world economy leaving its mark on export demand and with relatively tight monetary conditions, the South African economy could not escape a slowdown in activity. The growth rate declined since the second half of 2002 and widespread weakness in production has become evident.

Expected continued growth in fixed capital formation and government spending, coupled with the effects of lower inflation and interest rates in the second half of 2003, should gradually improve the fortunes of the domestic economy as the year progresses.

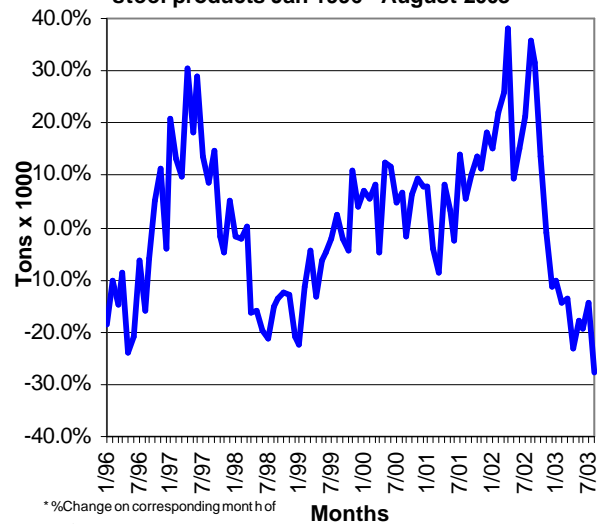
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Local sales of primary carbon steel products  
1996 to Q2 2003



Source: SAISI

Change\* in local sales of primary carbon steel products Jan 1996 - August 2003



\*%Change on corresponding month of previous year

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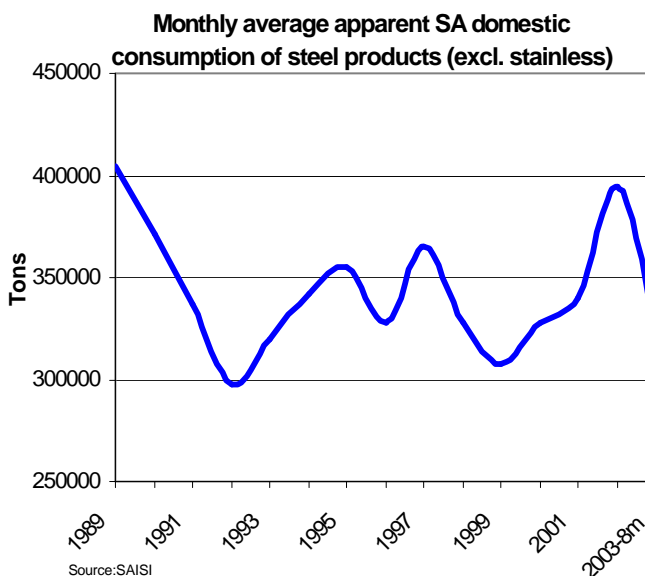
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## Sales decreased by 16,6% during first half 2003 (continued from page 1)

### Total local sales of primary carbon steel products - 2002 to Aug 2003 ('000 tons)

MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	143.6	195.3	338.9	128.9	175.3	304.1
FEB	152.4	195.6	348.0	139.7	158.5	298.2
MAR	193.2	179.4	372.6	145.5	176.8	322.4
<b>Q1</b>	<b>489.2</b>	<b>570.3</b>	<b>1059.5</b>	<b>414.1</b>	<b>510.6</b>	<b>924.7</b>
APRIL	167.5	218.7	386.2	135.0	162.1	297.1
MAY	170.0	201.6	371.6	147.8	157.2	305.0
JUNE	170.6	203.5	374.1	141.1	160.1	301.2
<b>Q2</b>	<b>508.1</b>	<b>623.8</b>	<b>1131.9</b>	<b>423.9</b>	<b>479.3</b>	<b>903.3</b>
JULY	172.8	234.5	407.3	161.4	187.2	348.6
AUG	186.7	252.6	439.3	155.6	161.8	317.4
SEP	186.3	244.8	431.1			0.0
<b>Q3</b>	<b>545.8</b>	<b>731.9</b>	<b>1277.7</b>	<b>317.0</b>	<b>349.0</b>	<b>666.0</b>
OCT	161.6	262.5	424.1			0.0
NOV	153.1	244.5	397.6			0.0
DEC	82.5	143.1	225.6			0.0
<b>Q4</b>	<b>397.2</b>	<b>650.1</b>	<b>1047.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>1 940.3</b>	<b>2 576.1</b>	<b>4 516.4</b>	<b>1 155.0</b>	<b>1 339.0</b>	<b>2 494.0</b>



## Imports of primary carbon and alloy steel products declined by 4,7% - first half of 2003

According to statistics released by Customs and Excise, imports of primary carbon and alloy steel products (excluding wire and stainless steel, but including rails) declined by 4,7% during the first half of 2003 compared with the first half of 2002. Imports during the second quarter of 2003 increased by 5,7% compared with imports during the first quarter of 2003. Imports of profile products during the second quarter of

2003 increased by 52,9%, in the main due to rail imports while imports of flat products decreased by 4,7% compared with the first quarter of 2003.

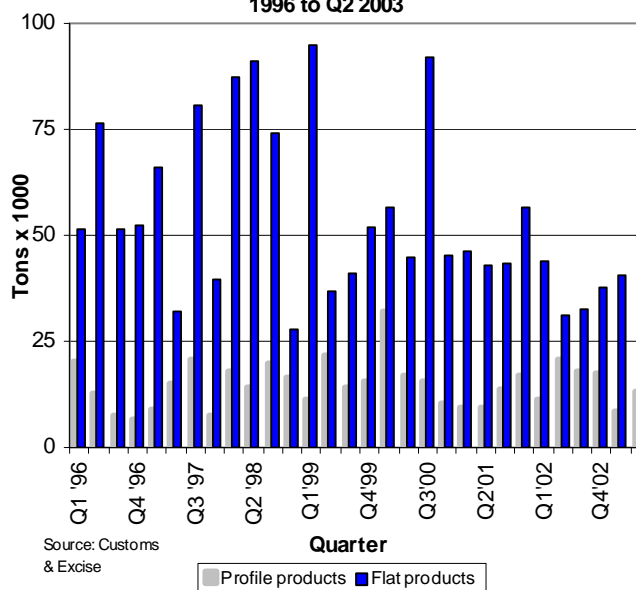
Imports of primary carbon and alloy steel products as a percentage of total domestic carbon steel demand increased to 5,3% during the first half of 2003 compared with 4,5% during 2002 as a whole.

### Imports of primary carbon and alloy steel products - 2002 to August 2002 ('000 tons)

MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	3.1	20.1	23.2	3.1	10.7	13.8
FEB	6.3	12.8	19.1	1.4	9.6	11.0
MAR	1.7	10.8	12.5	4.2	20.4	24.6
<b>Q1</b>	<b>11.1</b>	<b>43.7</b>	<b>54.8</b>	<b>8.7</b>	<b>40.7</b>	<b>49.4</b>
APRIL	1.8	11.4	13.2	3.5	12.3	15.8
MAY	7.0	11.7	18.7	2.4	11.1	13.5
JUNE	11.8	8.1	19.9	7.4	15.4	22.9
<b>Q2</b>	<b>20.6</b>	<b>31.2</b>	<b>51.8</b>	<b>13.3</b>	<b>38.8</b>	<b>52.2</b>
JULY	4.4	9.6	14.0			0.0
AUG	9.4	13.4	22.8			0.0
SEP	4.0	9.6	13.6			0.0
<b>Q3</b>	<b>17.8</b>	<b>32.6</b>	<b>50.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
OCT	7.1	13.5	20.5			0.0
NOV	5.2	13.2	18.4			0.0
DEC	5.4	10.9	16.3			0.0
<b>Q4</b>	<b>17.7</b>	<b>37.5</b>	<b>55.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>67.2</b>	<b>145.0</b>	<b>212.2</b>	<b>22.1</b>	<b>79.5</b>	<b>101.5</b>

Source: Customs & Excise

### Imports of primary carbon & alloy steel products 1996 to Q2 2003



## Imports declined by 4,7% - first half of 2003 (continued from page 2)

### IMPORTS - South Africa's ten most important steel trading partners in 2002 and 2003—6 months (All products including stainless steel and finished wire - tons)

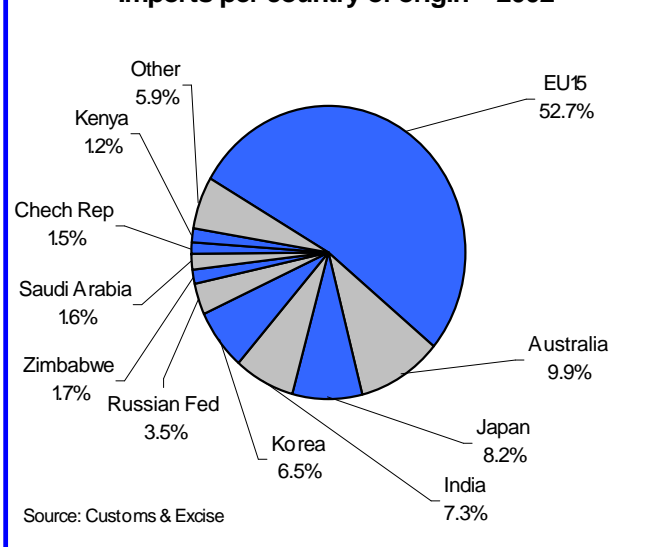
Countries	2002	Countries	2003
EU15	127 339	EU15	64 471
Australia	23 929	Japan	15 190
Japan	19 875	India	9 725
India	17 607	Korea	6 129
Korea	15 675	Australia	5 724
Russian Fed	8 490	Malaysia	4 799
Zimbabwe	4 071	Taiwan	2 613
Saudi Arabia	3 882	Brazil	2 030
Czech Rep	3 521	Zimbabwe	1 567
Kenya	2 996	USA	1 442
Total 10 countries	227 384	Total 10 countries	113 692
<b>Total imports</b>	<b>241 581</b>	<b>Total imports</b>	<b>120 863</b>
10 Countries/ total	94.1%	10 Countries/ total	94.1%
Other	14 197	Other	7 171

Source: Customs & Excise

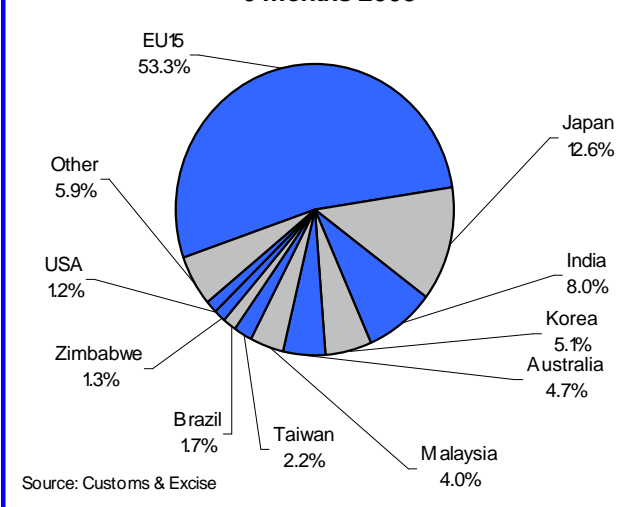
Imports of rails from Austria amounted to 6 157 tons out of a total of 7 030 tons of rails imported during the first half of 2003. Imports from Japan consisted mostly of hot-dipped galvanised sheet products (38,9%) representing 44% of all hot-dipped galvanised sheet imports. Imports of hot-dipped galvanised sheet from India amounted to 6 783 tons or 50,4 % of all hot-dipped galvanised sheet imports. Imports from Australia consisted mostly (55,9%) of painted sheet, representing 33% of the total of 9 686 tons of painted sheet imported during the first half of 2003. Imports of TFS, aluzinc and other coated sheet products amounted to 10 813 tons, mostly from Australia (18,6%), Korea (18,0%) and Luxembourg (17,6%).

Imports of alloy hot-rolled flat products amounted to 14 732 tons during the first half of 2003, mostly from Sweden (62,6%), Germany (14,5%) and the USA (7,7%). Imports from Russia amounted to 962 tons of alloy steel products during the first half of 2003. Imports from Zimbabwe amounted to 1567 tons, mostly reinforcing bar (74.9%).

Imports per country of origin - 2002



Imports per country of origin  
6 months 2003



## Exports of carbon steel products as reported by South African producers increased by 42,0% during first half of 2003

Exports of primary carbon steel products, reported by South African primary steel manufacturers, increased by 42,0% during the first half of 2003 compared with the first half of 2002. During the second quarter of 2003, exports increased by 13,6% compared with the first quarter of 2003. During the second quarter of 2003 flat product exports increased by 8,7% compared with the first quarter of 2003 while exports of profile products showed an increase of 21,9% during the corresponding period.

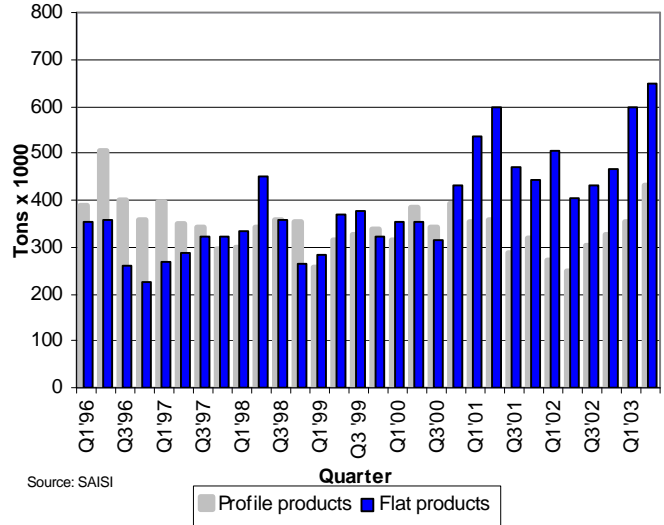
During the first eight months of 2003, exports of flat carbon steel products amounted to 65,3% of total exports and the exports of profile carbon steel products to 34,7% of total exports.  
(continued on page 4)

# Exports increased by 42,0% during first half of 2003 (continued from page 3)

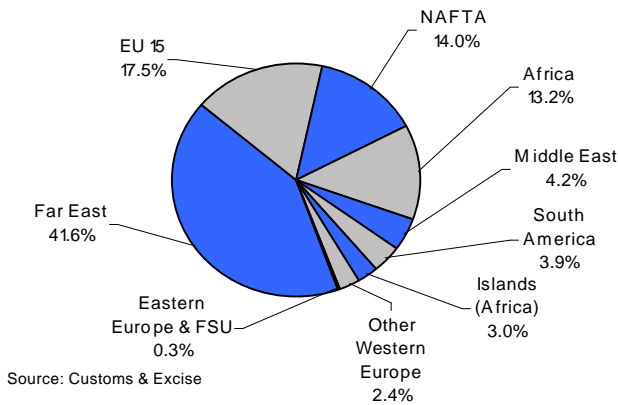
Exports of primary carbon steel products reported by the primary steel producers - 2002 & 2003 (8 months) ('000 tons)

MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	92.7	157.6	250.3	114.0	209.0	323.0
FEB	98.8	193.2	292.0	98.9	200.6	299.4
MAR	81.6	155.0	236.6	142.0	188.5	330.5
<b>Q1</b>	<b>273.1</b>	<b>505.8</b>	<b>778.9</b>	<b>354.9</b>	<b>598.0</b>	<b>952.9</b>
APRIL	103.8	147.5	251.3	128.5	212.5	341.0
MAY	67.0	133.9	200.9	126.8	178.7	305.5
JUNE	79.1	123.5	202.6	177.3	258.7	436.0
<b>Q2</b>	<b>249.9</b>	<b>404.9</b>	<b>654.8</b>	<b>432.6</b>	<b>649.9</b>	<b>1082.6</b>
JULY	111.9	140.7	252.6	120.8	294.5	415.3
AUG	100.9	136.9	237.8	78.2	311.3	389.5
SEP	92.0	153.1	245.1			0.0
<b>Q3</b>	<b>304.8</b>	<b>430.7</b>	<b>735.5</b>	<b>199.0</b>	<b>605.8</b>	<b>804.8</b>
OCT	113.2	176.1	289.3			0.0
NOV	84.8	121.6	206.4			0.0
DEC	127.5	168.8	296.3			0.0
<b>Q4</b>	<b>325.5</b>	<b>466.5</b>	<b>792.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>1 153.3</b>	<b>1 807.9</b>	<b>2 961.2</b>	<b>986.5</b>	<b>1 853.8</b>	<b>2 840.3</b>

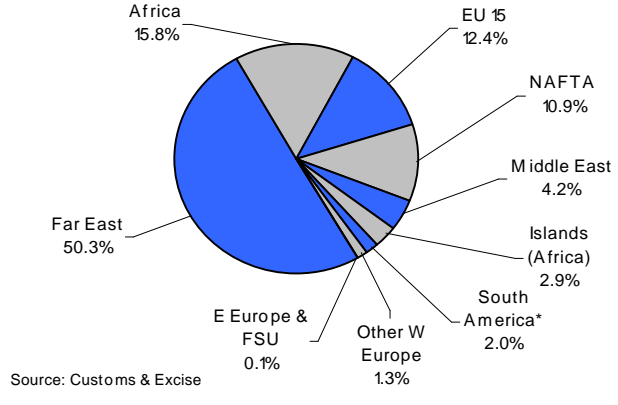
Exports of primary carbon steel products 1996 to Q2 2003



Exports per region of destination - 2002



Exports per region of destination 6 months 2003

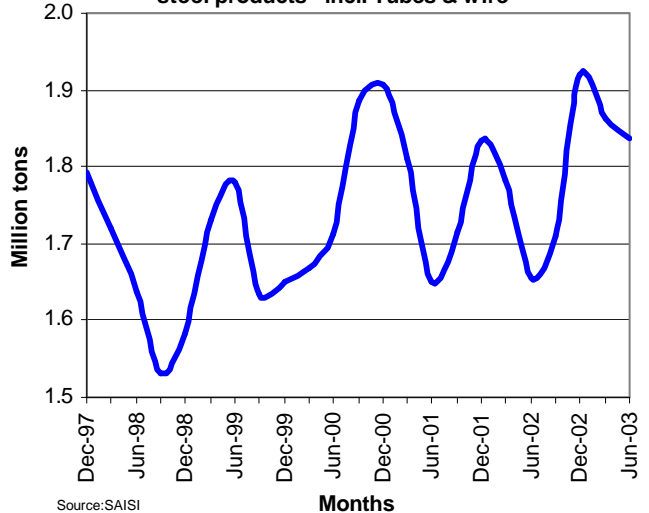


## Stocks of primary steel products on hand at the end of March 2003 and June 2003

Products (metric tons)	March 2003	June 2003
1 Iron and non-alloy steel	1 693 403	1 659 151
A Semi-finished products	321 613	310 170
B Total finished products	1 371 790	1 348 981
C Total flat rolled products	955 893	888 581
i Hot-rolled	594 549	532 569
ii Cold-rolled	175 036	162 794
iii Clad, plated or coated	186 308	193 218
D Total profile products	415 897	460 400
i Bars and rods	102 822	125 862
ii Angles and sections	313 075	334 538
2 Stainless steel products	60 997	66 822
3 Other alloy steel	2 607	2 959
4 Other products	105 857	108 664
i Tubes & pipes	62 170	66 387
ii Wire	31 398	30 253
iii Other	12 289	12 024

Source: South African Iron and Steel Institute

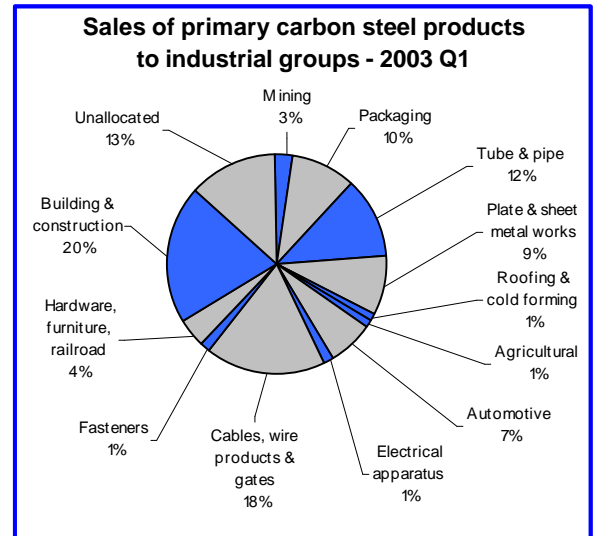
Total stocks of primary carbon, alloy & stainless steel products - incl. Tubes & wire



# Carbon steel sales to industrial groups during Q1 of 2003\*

Sales of primary carbon steel products to industrial groups			
Metric tons	2003 Q1		
	Profile	Flat	Total
1 Mining	15 333	10 371	25 704
2 Total Manufacturing	218 284	366 561	584 845
Packaging		88 191	88 191
Structural Metal	3 027	193 562	196 589
Tube & pipe	944	108 167	109 111
Plate & sheet metal works	2 083	79 114	81 197
Roofing & cold forming		6 281	6 281
Agricultural	11 399	191	11 590
Automotive	7 172	53 693	60 865
Electrical apparatus	7	12 617	12 624
Cables, wire products & gates	162 544	806	163 350
Fasteners	12 667	149	12 816
Other: Hardware, furniture, rail	21 468	17 352	38 820
3 Building & construction	137 561	53 265	190 826
4 Unallocated	46 054	78 411	124 465
5 Total	417 232	508 608	925 840

Source: South African Iron and Steel Institute



Sales of primary carbon steel products to industrial groups								
Metric tons	2000	2001	2001/2000	2002	2002/2001	2002 Q1	2003 Q1	03Q1/02Q1
<b>Mining</b>	113 380	111 822	-1.4%	124 995	11.8%	29 454	25 704	-12.7%
<b>Manufacturing</b>	2 189 077	2 275 226	3.9%	2 684 754	18.0%	615 800	584 845	-5.0%
Packaging	285 210	302 871	6.2%	313 015	3.3%	76 351	88 191	15.5%
Structural Metal	904 366	881 109	-2.6%	1 069 074	21.3%	237 838	196 589	-17.3%
Tube & Pipe	410 068	420 910	2.6%	522 588	24.2%	116 410	109 111	-6.3%
Plate & Sheet metal works	437 605	403 035	-7.9%	475 010	17.9%	108 165	81 197	-24.9%
Roofing & Cold forming	56 693	57 164	0.8%	71 476	25.0%	13 263	6 281	-52.6%
Agricultural	26 583	25 243	-5.0%	29 415	16.5%	7 055	11 590	64.3%
Automotive	247 704	237 945	-3.9%	308 045	29.5%	64 913	60 865	-6.2%
Electrical Apparatus/White Goods	51 662	51 553	-0.2%	56 218	9.0%	12 316	12 624	2.5%
Cables, wire products & gates	467 670	542 486	16.0%	672 177	23.9%	161 180	163 350	1.3%
Fasteners	42 106	49 141	16.7%	52 089	6.0%	15 342	12 816	-16.5%
Other	163 776	184 878	12.9%	184 720	-0.1%	40 805	38 820	-4.9%
<b>Building &amp; Construction</b>	751 046	882 629	17.5%	1 033 880	17.1%	263 228	190 826	-27.5%
<b>Unallocated</b>	559 792	560 282	0.1%	676 817	20.8%	153 043	124 465	-18.7%
<b>Total Domestic despatches</b>	3 613 295	3 829 959	6.0%	4 520 446	18.0%	1 061 525	925 840	-12.8%

Source: South African Iron and Steel Institute

\* Please note that figures with respect to Q2 of 2003 are not available for publication as yet. The figures will be published on the SAISI website upon release (<http://www.saisi.co.za>).