

# steelnews



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## Domestic carbon steel sales declined by 18,9% during first 9 months of 2003

Total domestic carbon steel sales declined by 18,9% during the first nine months of 2003 compared with the first nine months of 2002. During this period sales of carbon steel long products decreased by 15,4% while sales of flat products decreased by 21,6%.

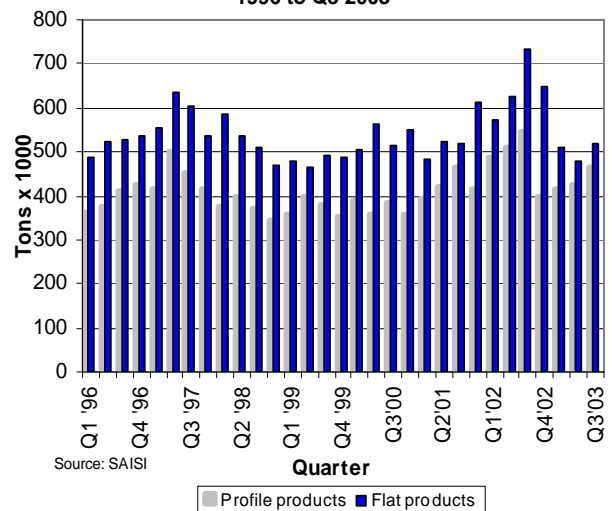
Domestic carbon steel sales increased by 9,0% during the third quarter of 2003 compared with the second quarter of 2003. Profile product sales increased by 9,5% while sales of flat products increased by 8,5% during this period.

The latest economic growth figures suggest that the progressive slowdown in activity that started in Q2 of 2002 is probably levelling out at present although overall economic growth has been quite disappointing over the first three quarters of 2003. Most sectors started to show signs of acceleration in Q3 of 2003 and this improvement is expected to gain further momentum in the final quarter of 2003 and onwards. Domestic demand should pick up in response to falling inflation, rising disposable income and the full impact of the reduction in interest rates that still has to filter through.

However, a less enduring global economic upswing and the full impact of a stubbornly strong currency could continue to exert pressure on the already disappointing performance of the manufacturing industry.

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Local sales of primary carbon steel products  
1996 to Q3 2003



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



\* % Change on corresponding month of previous year

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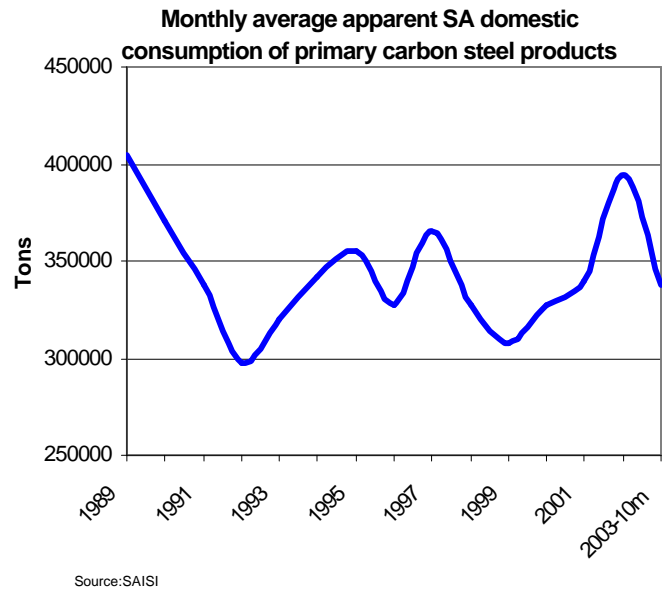
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## Sales decline by 18,9% in first 9 months 2003 (continued from page 1)

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

MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	143.6	195.3	338.9	129.1	175.3	304.4
FEB	152.4	195.6	348.0	139.8	158.5	298.3
MAR	193.2	179.4	372.6	147.7	176.8	324.5
<b>Q1</b>	<b>489.2</b>	<b>570.3</b>	<b>1059.5</b>	<b>416.6</b>	<b>510.6</b>	<b>927.2</b>
APRIL	167.5	218.7	386.2	135.3	162.1	297.4
MAY	170.0	201.6	371.6	147.8	157.1	304.9
JUNE	170.6	203.5	374.1	141.1	159.9	301.1
<b>Q2</b>	<b>508.1</b>	<b>623.8</b>	<b>1131.9</b>	<b>424.3</b>	<b>479.1</b>	<b>903.4</b>
JULY	172.8	234.5	407.3	161.4	187.5	348.9
AUG	186.7	252.6	439.3	155.6	161.7	317.2
SEP	186.3	244.8	431.1	147.5	170.6	318.0
<b>Q3</b>	<b>545.8</b>	<b>731.9</b>	<b>1277.7</b>	<b>464.5</b>	<b>519.7</b>	<b>984.2</b>
OCT	161.6	262.5	424.1	174.8	208.8	383.6
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>174.8</b>	<b>208.8</b>	<b>383.6</b>
<b>TOTAL</b>	<b>1 940.3</b>	<b>2 576.1</b>	<b>4 516.4</b>	<b>1 480.2</b>	<b>1 718.2</b>	<b>3 198.4</b>



## Imports of primary carbon and alloy steel products increased by 2,2% during first 9 months 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) increased by 2,2% during the first nine months of 2003 compared with the first nine months of 2002. Imports during the third quarter of 2003 increased by 12,8% compared with imports during the second quarter of 2003. Imports of profile products

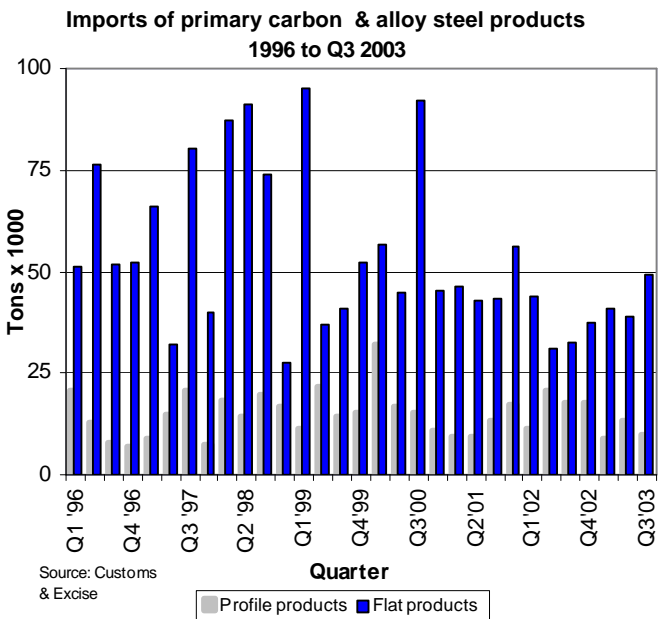
during the third quarter of 2003 decreased by 26,3% while imports of flat products increased by 26,5% compared with the second quarter of 2003.

Imports of primary carbon and alloy steel products as a percentage of total domestic carbon steel demand increased to 5,4% during the first 9 months of 2003 compared with 4,5% during 2002 as a whole.

### Imports of primary carbon and alloy steel products - 2002 to September 2003 ('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	3.7	16.1	19.8
AUG	9.4	13.4	22.8	3.3	12.9	16.2
SEP	4.0	9.6	13.6	2.8	20.1	22.9
<b>Q3</b>	<b>17.8</b>	<b>32.6</b>	<b>50.4</b>	<b>9.8</b>	<b>49.1</b>	<b>58.9</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>31.9</b>	<b>128.5</b>	<b>160.4</b>

Source: Customs & Excise



## Imports increased by 2,2% - 9 months of 2003 (continued from page 2)

### IMPORTS - South Africa's ten most important steel trading partners in 2002 and 2003—9 months (All products including stainless steel and finished wire—HS codes 7206 to 7302 - tons)

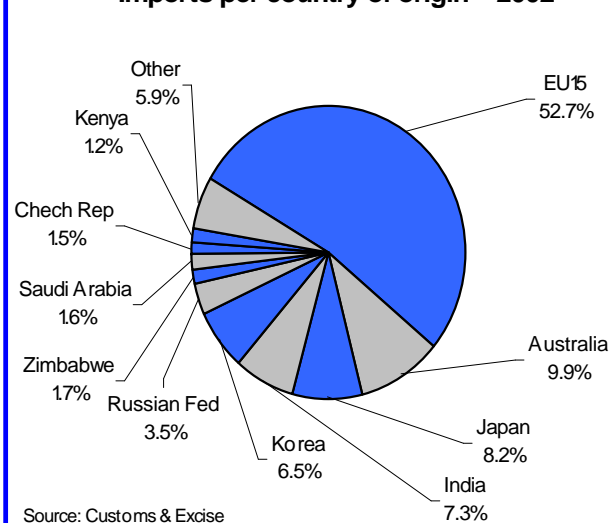
Countries	2002	Countries	2003
EU15	127 339	EU15	94 414
Australia	23 929	India	27 103
Japan	19 875	Japan	21 353
India	17 607	Korea	8 169
Korea	15 675	Malaysia	7 526
Russian Fed	8 490	Australia	7 126
Zimbabwe	4 071	Taiwan	3 907
Saudi Arabia	3 882	Zimbabwe	3 712
Czech Rep	3 521	Brazil	3 096
Kenya	2 996	USA	2 220
Total 10 countries	227 384	Total 10 countries	178 627
<b>Total imports</b>	<b>241 581</b>	<b>Total imports</b>	<b>189 636</b>
10 Countries/ total	94.1%	10 Countries/ total	94.2%
Other	14 197	Other	11 009

Source: Customs & Excise

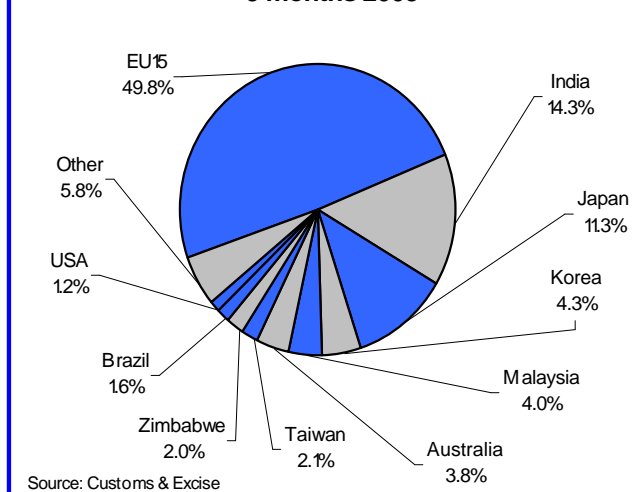
Imports of rails from Austria amounted to 6 235 tons out of a total of 7 719 tons of rails imported during the first 9 months of 2003. Imports of hot-dipped galvanised sheet from India amounted to 17 057 tons or 65,0% of all hot-dipped galvanised sheet & corrugated sheet imports. Imports from Japan consisted mostly of hot-dipped galvanised sheet products (37,8%) representing 30,8% of all hot-dipped galvanised sheet imports. Imports from Australia consisted mostly (45,4%) of painted sheet, representing 26,4% of the total of 12 269 tons of painted sheet imported during the first 9 months of 2003. Imports of TFS, aluzinc and other coated sheet products amounted to 15 389 tons, mostly from Australia (20,3%), Luxembourg (14,4%) and Korea (11,3%).

Imports of alloy hot-rolled sheet & strip products amounted to 29 215 tons during the first 9 months of 2003, mostly from Sweden (53,7%) and Germany (15,5%). Imports from Russia amounted to 1 638 tons of alloy steel products during the first 9 months of 2003. Imports from Zimbabwe amounted to 3 712 tons, mostly reinforcing bar (81,7%).

Imports per country of origin - 2002



Imports per country of origin 9 months 2003



## Exports of carbon steel products as reported by South African producers increased by 43,1% during first 9 months of 2003

Exports of primary carbon steel products, reported by South African primary steel manufacturers, increased by 43,1% during the first nine months of 2003 compared with the first nine months of 2002. During the third quarter of 2003, exports increased by 2,6% compared with the second quarter of 2003. During the third quarter of 2003 flat product exports increased by 28,3% compared with the second quarter of 2003 while exports of profile products showed a decrease of 32,2% during the corresponding period.

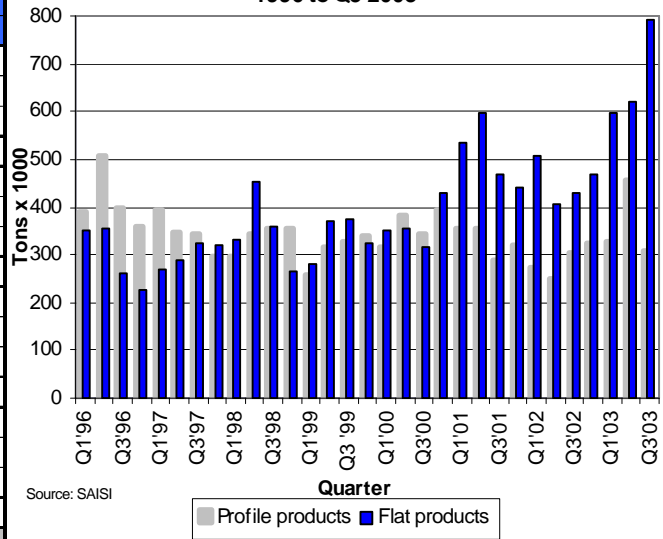
During the first nine months of 2003, exports of flat carbon steel products amounted to 64,8% of total exports and the exports of profile carbon steel products to 35,2% of total exports.  
(continued on page 4)

# Exports increased by 43,1% - first 9 months of 2003 (from page 3)

Exports of primary carbon steel products reported by the primary steel producers - 2002 & 2003 (10 months) ('000 tons)

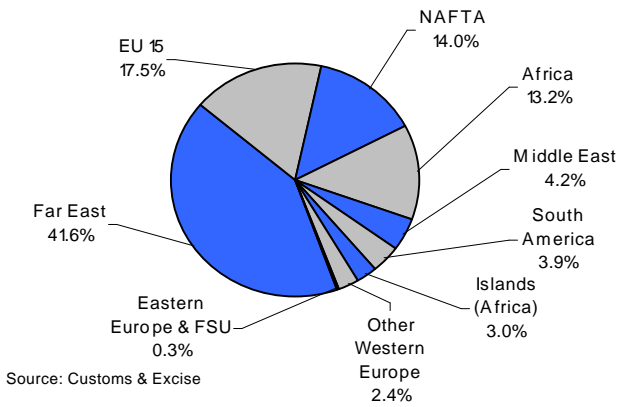
MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	92.7	157.6	250.3	91.8	209.0	300.8
FEB	98.8	193.2	292.0	104.1	200.6	304.7
MAR	81.6	155.0	236.6	130.1	188.5	318.6
Q1	273.1	505.8	778.9	326.0	598.0	924.1
APRIL	103.8	147.5	251.3	149.0	212.5	361.5
MAY	67.0	133.9	200.9	130.6	163.0	293.6
JUNE	79.1	123.5	202.6	177.3	243.6	420.9
Q2	249.9	404.9	654.8	456.9	619.0	1075.9
JULY	111.9	140.7	252.6	120.8	272.7	393.5
AUG	100.9	136.9	237.8	78.2	259.1	337.3
SEP	92.0	153.1	245.1	111.0	262.2	373.2
Q3	304.8	430.7	735.5	309.9	794.0	1103.9
OCT	113.2	176.1	289.3	164.7	193.4	358.2
NOV	84.8	121.6	206.4			0.0
DEC	127.5	168.8	296.3			0.0
Q4	325.5	466.5	792.0	164.7	193.4	358.2
TOTAL	1 153.3	1 807.9	2 961.2	1 257.5	2 204.6	3 462.1

Exports of primary carbon steel products 1996 to Q3 2003



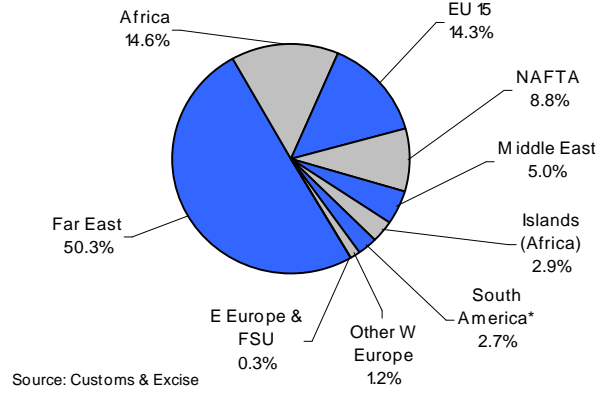
Source: SAIISI

Exports per region of destination - 2002



Source: Customs & Excise

Exports per region of destination 9 months 2003



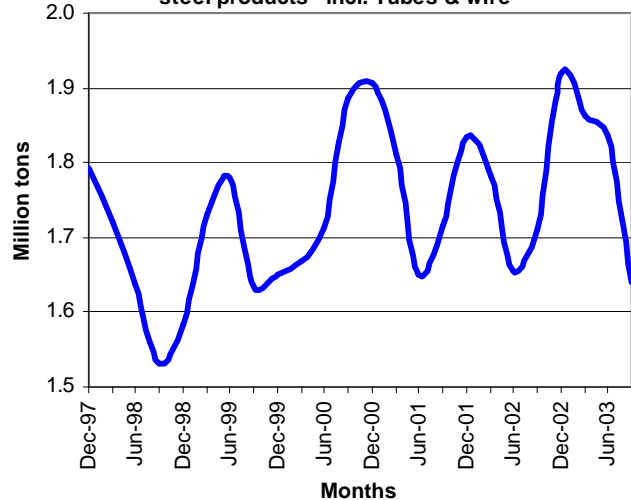
Source: Customs & Excise

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

Products (metric tons)	June 2003	Sept 2003
1 Iron and non-alloy steel	1 658 624	1 476 377
A Semi-finished products	310 170	279 729
B Total finished products	1 348 454	1 196 648
C Total flat rolled products	887 991	769 797
i Hot-rolled	531 841	438 039
ii Cold-rolled	162 652	149 739
iii Clad, plated or coated	193 498	182 019
D Total profile products	460 463	426 851
i Bars and rods	126 080	135 600
ii Angles and sections	334 383	291 251
2 Stainless steel products	65 289	60 944
3 Other alloy steel	2 959	2 830
4 Other products	108 645	100 575
i Tubes & pipes	66 373	66 436
ii Wire	30 253	28 955
iii Other	12 019	5 184

Source: South African Iron and Steel Institute

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

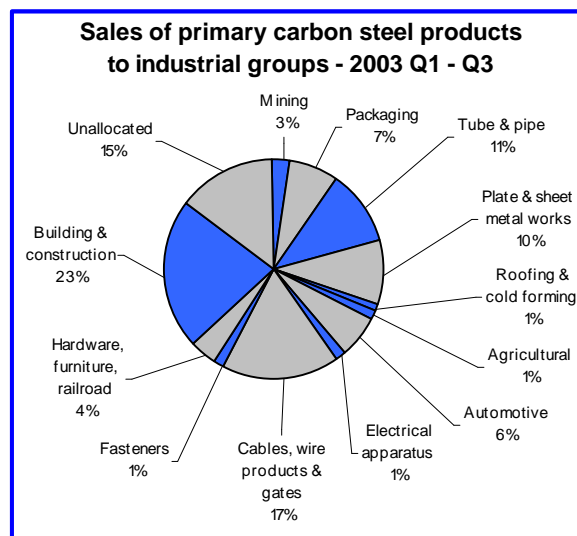


Source: SAIISI

# Carbon steel sales to industrial groups during the first three quarters of 2003

Sales of primary carbon steel products to industrial groups			
Metric tons	2003 Q1 - Q3		
	Profile	Flat	Total
1 Mining	44 710	35 812	80 522
2 Total Manufacturing	645 912	1 039 337	1 685 249
Packaging	108	203 525	203 633
Structural Metal	8 873	589 435	598 308
Tube & pipe	2 150	305 992	308 142
Plate & sheet metal works	6 723	260 824	267 547
Roofing & cold forming	0	22 619	22 619
Agricultural	29 902	1 274	31 176
Automotive	25 110	156 170	181 280
Electrical apparatus	42	41 393	41 435
Cables, wire products & gates	472 634	2 973	475 607
Fasteners	40 029	149	40 178
Other: Hardware, furniture, rail	69 214	44 418	113 632
3 Building & construction	468 464	165 210	633 674
4 Unallocated	147 180	266 971	414 151
<b>5 Total</b>	<b>1 306 266</b>	<b>1 507 330</b>	<b>2 813 596</b>

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	'02 Q1-Q3	'03 Q1-Q3	2003/2002
<b>Mining</b>	113 380	111 911	-1.3%	124 995	11.7%	97 355	80 522	-17.3%
<b>Manufacturing</b>	2 189 077	2 273 100	3.8%	2 684 753	18.1%	2 036 168	1 685 249	-17.2%
Packaging	285 210	302 860	6.2%	313 015	3.4%	230 826	203 633	-11.8%
Structural Metal	904 366	879 894	-2.7%	1 069 074	21.5%	813 802	598 308	-26.5%
Tube & Pipe	410 068	420 387	2.5%	522 588	24.3%	406 644	308 142	-24.2%
Plate & Sheet metal works	437 605	402 683	-8.0%	475 010	18.0%	361 481	267 547	-26.0%
Roofing & Cold forming	56 693	56 824	0.2%	71 476	25.8%	45 677	22 619	-50.5%
Agricultural	26 583	25 354	-4.6%	29 415	16.0%	22 792	31 176	36.8%
Automotive	247 704	237 074	-4.3%	308 045	29.9%	223 437	181 280	-18.9%
Electrical Apparatus/White Goods	51 662	51 358	-0.6%	56 218	9.5%	41 004	41 435	1.1%
Cables, wire products & gates	467 670	542 511	16.0%	672 177	23.9%	518 496	475 607	-8.3%
Fasteners	42 106	49 141	16.7%	52 089	6.0%	42 966	40 178	-6.5%
Other	163 776	184 908	12.9%	184 720	-0.1%	142 845	113 632	-20.5%
<b>Building &amp; Construction</b>	751 046	885 206	17.9%	1 033 880	16.8%	827 859	633 674	-23.5%
<b>Unallocated</b>	559 792	559 747	0.0%	676 817	20.9%	510 259	414 151	-18.8%
<b>Total Domestic despatches</b>	<b>3 613 295</b>	<b>3 829 964</b>	<b>6.0%</b>	<b>4 520 445</b>	<b>18.0%</b>	<b>3 471 641</b>	<b>2 813 596</b>	<b>-19.0%</b>

Source: South African Iron and Steel Institute