

# steelnews



South African  
Iron and Steel  
Institute

21 April 2004

Issue 24 -Erratum

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



Cape Gate



Cisco



Columbus



Highveld Steel



Iscor



Scaw Metals

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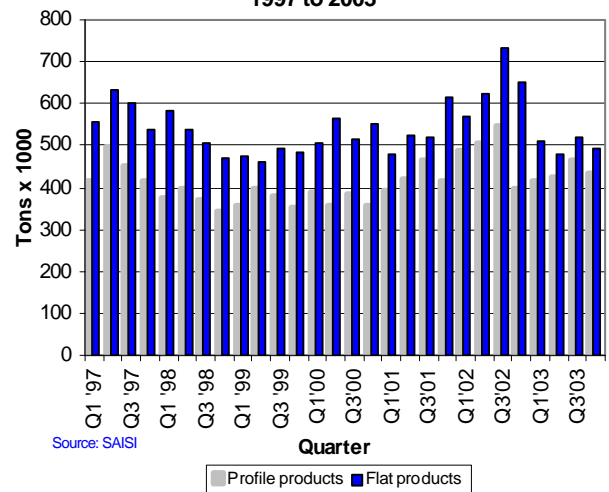
## Erratum - Issue 24

### January 2004 domestic & export sales of flat carbon steel products adjusted due to reporting error to SAISI

Total local sales of primary carbon steel products - 2003 to Feb 2004 ('000 tons)

MONTH	2003			2004		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	129.1	175.3	304.4	147.7	184.0	331.6
FEB	139.8	158.5	298.3	166.2	173.5	339.7
MAR	147.7	176.8	324.5			0.0
Q1	416.6	510.6	927.2	313.9	357.5	671.4
APRIL	135.3	162.1	297.4			0.0
MAY	147.8	157.1	304.9			0.0
JUNE	141.1	159.9	301.1			0.0
Q2	424.3	479.1	903.4	0.0	0.0	0.0
JULY	161.4	187.5	348.9			0.0
AUG	155.6	161.7	317.2			0.0
SEP	147.5	170.6	318.0			0.0
Q3	464.5	519.7	984.2	0.0	0.0	0.0
OCT	174.8	194.8	369.6			0.0
NOV	169.2	180.0	349.1			0.0
DEC	87.9	120.1	208.0			0.0
Q4	431.9	494.8	926.7	0.0	0.0	0.0
TOTAL	1 737.3	2 004.2	3 741.5	313.9	357.5	671.4

Local sales of primary carbon steel products  
1997 to 2003

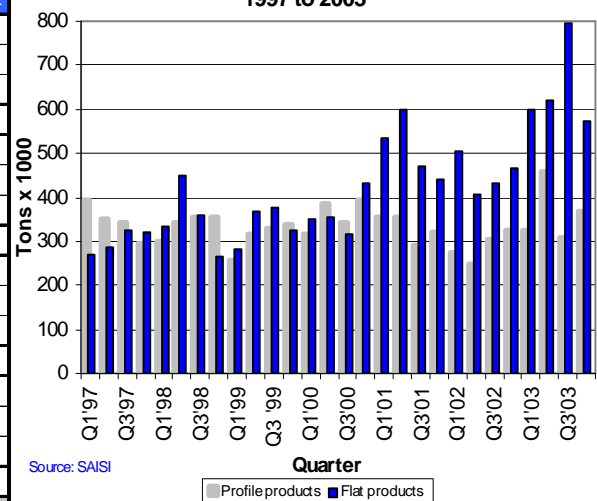


Replace the following statement: "However, during the first two months of 2004, domestic carbon steel sales increased by 16,7% compared with the first two months of 2003" with: "However, during the first two months of 2004, domestic carbon steel sales increased by 11,4% compared with the first two months of 2003"

Exports of primary carbon steel products reported by the primary steel producers - 2003 to Feb 2004 ('000 tons)

MONTH	2003			2004		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	91.8	209.0	300.8	106.9	154.6	261.4
FEB	104.1	200.6	304.7	97.6	154.0	251.6
MAR	130.1	188.5	318.6			0.0
Q1	326.0	598.0	924.1	204.5	308.6	513.0
APRIL	149.0	212.5	361.5			0.0
MAY	130.6	163.0	293.6			0.0
JUNE	177.3	243.6	420.9			0.0
Q2	456.9	619.0	1075.9	0.0	0.0	0.0
JULY	120.8	272.7	393.5			0.0
AUG	78.2	259.1	337.3			0.0
SEP	111.0	262.2	373.2			0.0
Q3	309.9	794.0	1103.9	0.0	0.0	0.0
OCT	164.7	193.4	358.2			0.0
NOV	107.7	179.7	287.4			0.0
DEC	96.6	202.2	298.8			0.0
Q4	369.0	575.4	944.4	0.0	0.0	0.0
TOTAL	1 461.8	2 586.5	4 048.3	204.5	308.6	513.0

Exports of primary carbon steel products  
1997 to 2003



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## Domestic carbon steel sales declined by 17,2% during 2003

Total domestic carbon steel sales declined by 17,2% during 2003 compared with 2002. During this period sales of carbon steel long products decreased by 10,5% while sales of flat products decreased by 22,2%. However, during the first two months of 2004, domestic carbon steel sales increased by 16,7% compared with the first two months of 2003.

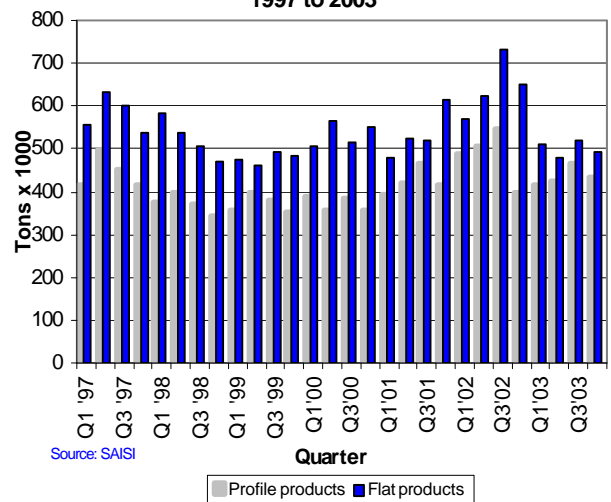
The real South African economy did not perform as expected in 2003 and recorded growth well below its medium/long-term growth potential. The salient economic indicators suggest that the impact of the strong rand and subdued global economy during 2003 on the agriculture and manufacturing sectors was more severe than originally estimated.

Should 2004 see a continuation of low inflation, a stable monetary environment and hopefully less rand volatility, more impetus could be added to robust economic growth through an expanded public works programme and increased private sector investment.

Despite the weak overall growth performance during 2003, most sectors indicated some signs of acceleration. This improvement is expected to gain further momentum in 2004, as domestic demand picks up in response to low inflation, rising disposable income and the sharp reduction in interest rates.

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Local sales of primary carbon steel products  
1997 to 2003



Source: SAISI

Change\* in local sales of primary carbon steel products Jan 1996 - Feb 2004



\*%Change on corresponding month of previous year

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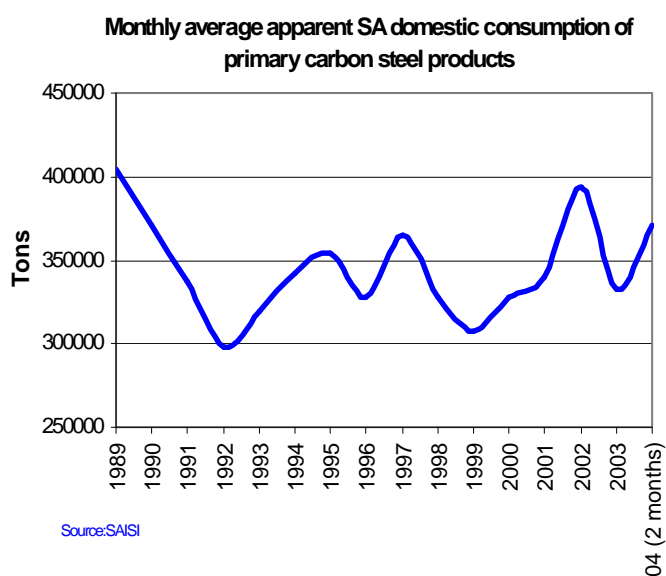
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## Carbon steel sales declined by 17,2% during 2003 (continued from page 1)

### Total local sales of primary carbon steel products - 2003 to Feb 2004 ('000 tons)

MONTH	2003			2004		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	129.1	175.3	304.4	147.7	216.2	363.9
FEB	139.8	158.5	298.3	166.2	173.5	339.7
MAR	147.7	176.8	324.5			0.0
Q1	416.6	510.6	927.2	313.9	389.7	703.6
APRIL	135.3	162.1	297.4			0.0
MAY	147.8	157.1	304.9			0.0
JUNE	141.1	159.9	301.1			0.0
Q2	424.3	479.1	903.4	0.0	0.0	0.0
JULY	161.4	187.5	348.9			0.0
AUG	155.6	161.7	317.2			0.0
SEP	147.5	170.6	318.0			0.0
Q3	464.5	519.7	984.2	0.0	0.0	0.0
OCT	174.8	194.8	369.6			0.0
NOV	169.2	180.0	349.1			0.0
DEC	87.9	120.1	208.0			0.0
Q4	431.9	494.8	926.7	0.0	0.0	0.0
TOTAL	1 737.3	2 004.2	3 741.5	313.9	389.7	703.6



## Imports of primary carbon and alloy steel products increased by 12,7% during 2003

Imports of primary carbon and alloy steel products as a percentage of total domestic carbon steel demand increased to 6,0% during 2003 compared with 4,5% during 2002 as a whole.

According to statistics released by Customs and Excise, imports of primary carbon and alloy steel products (excluding wire and stainless steel, but inclu-

ding rails) increased by 12,7% during 2003 compared with 2002. Imports during the fourth quarter of 2003 increased by 33,6% compared with imports during the third quarter of 2003. Imports of profile products during the fourth quarter of 2003 increased by 56,1%, while imports of flat products increased by 29,3% compared with the third quarter of 2003.

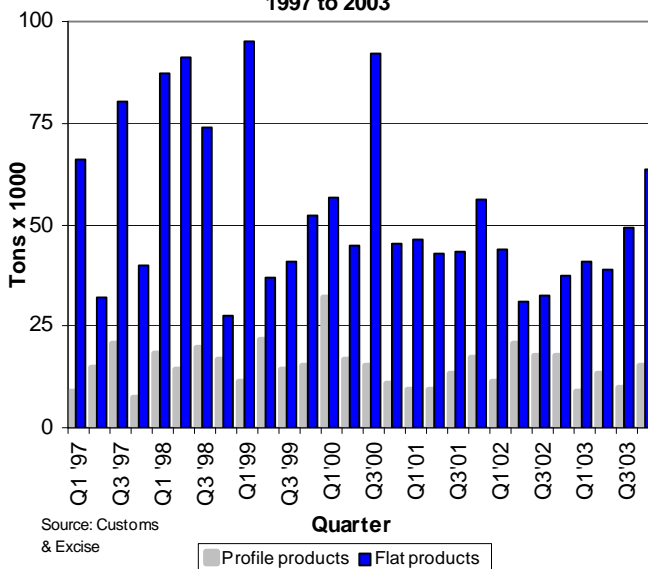
Continued on page 3

### Imports of primary carbon and alloy steel products - 2003 to January 2004 ('000 tons)

MONTH	2003			2004		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	3.1	10.7	13.8	3.2	16.1	19.4
FEB	1.4	9.6	11.0			0.0
MAR	4.2	20.4	24.6			0.0
Q1	8.7	40.7	49.4	3.2	16.1	19.4
APRIL	3.5	12.3	15.8			0.0
MAY	2.4	11.1	13.5			0.0
JUNE	7.4	15.4	22.9			0.0
Q2	13.3	38.8	52.2	0.0	0.0	0.0
JULY	3.7	16.1	19.8			0.0
AUG	3.3	12.9	16.2			0.0
SEP	2.8	20.1	22.9			0.0
Q3	9.8	49.1	58.9	0.0	0.0	0.0
OCT	6.9	13.9	20.9			0.0
NOV	6.5	19.8	26.4			0.0
DEC	1.8	29.7	31.5			0.0
Q4	15.3	63.5	78.7	0.0	0.0	0.0
TOTAL	47.1	192.0	239.2	3.2	16.1	19.4

Source: Customs & Excise

### Imports of primary carbon & alloy steel products 1997 to 2003



## Imports increased by 12,7% during 2003 (continued from page 2)

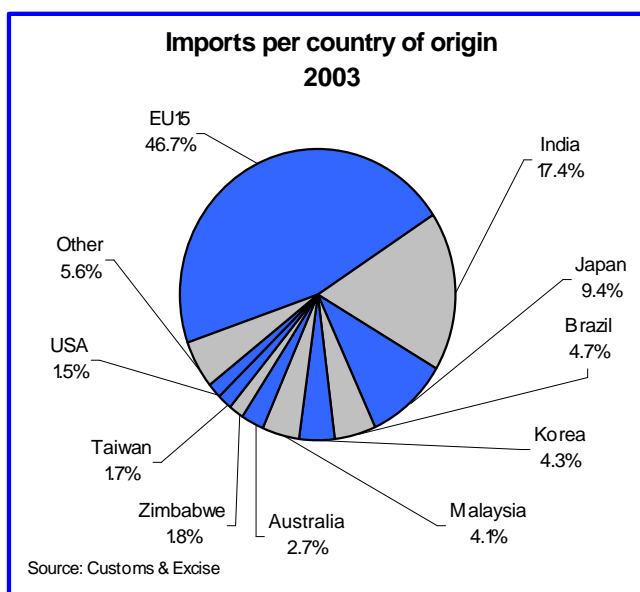
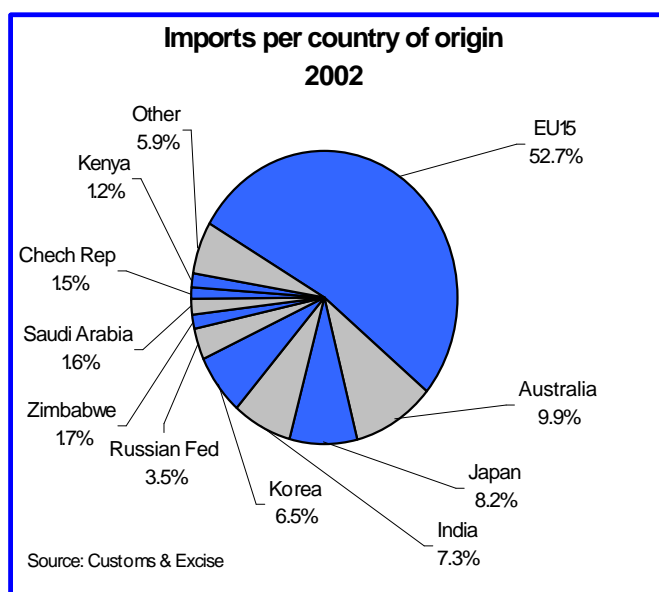
### IMPORTS - South Africa's ten most important steel trading partners in 2002 and 2003 (All products including stainless steel and finished wire—HS codes 7206 to 7302 - tons)

Countries	2002	Countries	2003
EU15	127 339	EU15	129 754
Australia	23 929	India	48 384
Japan	19 875	Japan	26 218
India	17 607	Brazil	13 056
Korea	15 675	Korea	11 986
Russian Fed	8 490	Malaysia	11 259
Zimbabwe	4 071	Australia	7 439
Saudi Arabia	3 882	Zimbabwe	4 982
Czech Rep	3 521	Taiwan	4 830
Kenya	2 996	USA	4 298
Total 10 countries	227 384	Total 10 countries	262 205
<b>Total imports</b>	<b>241 581</b>	<b>Total imports</b>	<b>277 803</b>
10 Countries/ total	94.1%	10 Countries/ total	94.4%
Other	14 197	Other	15 598

Source: Customs & Excise

Imports of carbon steel hot-dipped galvanised and galvanised corrugated sheet (mostly very thin gauge material) from India amounted to 21 592 tons, or 65,4% of all carbon steel hot-dipped galvanised and galvanised corrugated sheet imports. Imports of carbon steel cold-rolled sheet from India amounted to 13 340 tons, or 70,0% of all carbon steel cold-rolled sheet imports.

Imports of rails from Austria amounted to 8 948 tons out of a total of 14 716 tons of rails imported during 2003. Imports from Japan consisted mostly of hot-dipped galvanised sheet products (36,5%) representing 33,9% of all carbon steel hot-dipped galvanised sheet imports. Imports from Australia consisted mostly (44,2%) of painted sheet, representing 18,3% of the total of 17 982 tons of painted sheet imported during 2003. Imports of TFS, aluzinc and other coated sheet products amounted to 24 342 tons, mostly from India (17,5%), Australia (13,7%), Korea (16,43%) and Luxembourg (12,3%). Imports from Zimbabwe amounted to 4 982 tons, mostly reinforcing bar (68,8%).



## Exports of carbon steel products as reported by South African producers increased by 36,7% during 2003

Exports of primary carbon steel products, reported by South African primary steel manufacturers, increased by 36,7% during 2003 compared with 2002. During the fourth quarter of 2003, exports decreased by 14,4% compared with the third quarter of 2003. During the fourth quarter of 2003 flat product exports decreased by 27,5% compared with the third quarter of 2003 while exports of profile products showed an increase of 19,1% during fourth quarter of 2003 compared with the third quarter of 2003.

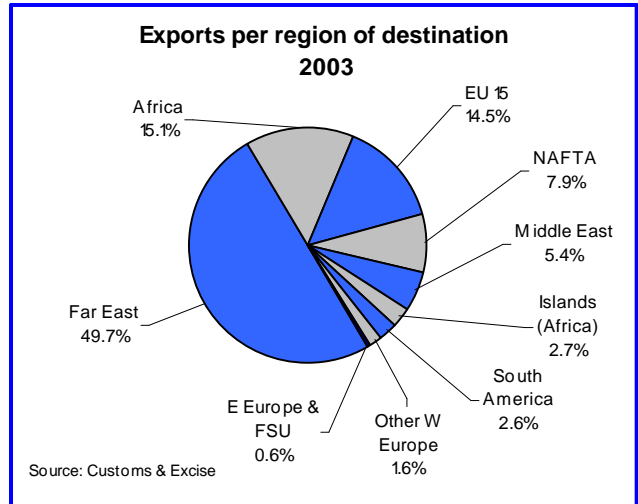
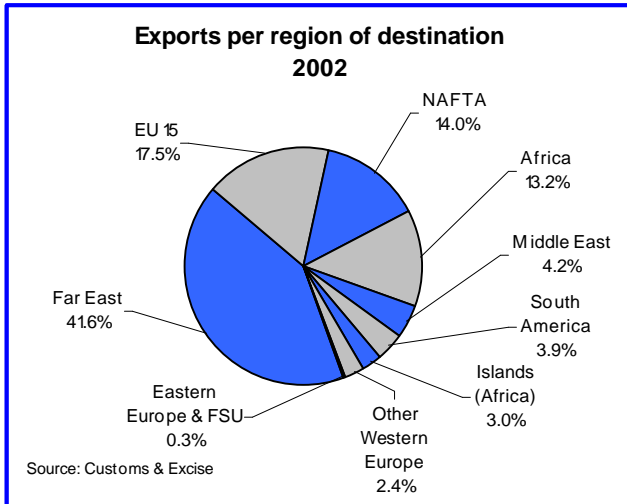
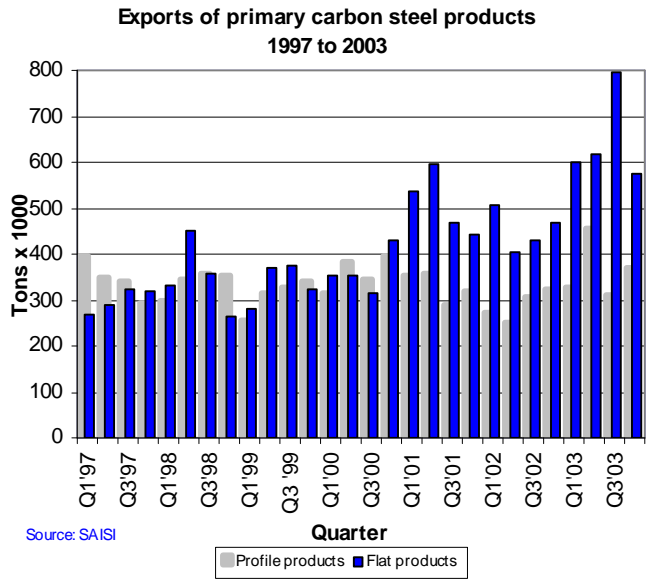
During 2003, exports of flat carbon steel products amounted to 63,9% of total exports and the exports of profile carbon steel products to 36,1% of total exports.

(continued on page 4)

# Exports increased by 36,7% during 2003 (continued from page 3)

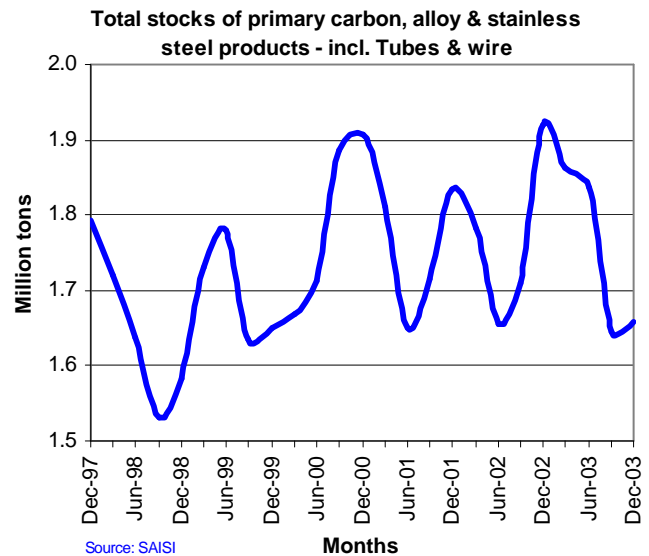
Exports of primary carbon steel products reported by the primary steel producers - 2003 & 2004 (2 months) ('000 tons)

MONTH	2003			2004		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	91.8	209.0	300.8	106.9	121.7	228.6
FEB	104.1	200.6	304.7	97.6	154.0	251.6
MAR	130.1	188.5	318.6			0.0
<b>Q1</b>	<b>326.0</b>	<b>598.0</b>	<b>924.1</b>	<b>204.5</b>	<b>275.7</b>	<b>480.2</b>
APRIL	149.0	212.5	361.5			0.0
MAY	130.6	163.0	293.6			0.0
JUNE	177.3	243.6	420.9			0.0
<b>Q2</b>	<b>456.9</b>	<b>619.0</b>	<b>1075.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
JULY	120.8	272.7	393.5			0.0
AUG	78.2	259.1	337.3			0.0
SEP	111.0	262.2	373.2			0.0
<b>Q3</b>	<b>309.9</b>	<b>794.0</b>	<b>1103.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
OCT	164.7	193.4	358.2			0.0
NOV	107.7	179.7	287.4			0.0
DEC	96.6	202.2	298.8			0.0
<b>Q4</b>	<b>369.0</b>	<b>575.4</b>	<b>944.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>1 461.8</b>	<b>2 586.5</b>	<b>4 048.3</b>	<b>204.5</b>	<b>275.7</b>	<b>480.2</b>



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

Products (metric tons)	Sept 2003 r	Dec 2003
<b>1 Iron and non-alloy steel</b>	1 480 292	1 500 726
A Semi-finished products	279 739	406 105
B Total finished products	1 200 553	1 094 621
C Total flat rolled products	776 178	712 851
i Hot-rolled	444 469	393 567
ii Cold-rolled	149 711	138 307
iii Clad, plated or coated	181 998	180 977
D Total profile products	424 375	381 770
i Bars and rods	134 425	124 548
ii Angles and sections	289 950	257 222
<b>2 Stainless steel products</b>	60 946	60 882
<b>3 Other alloy steel</b>	3 100	2 918
<b>4 Other products</b>	100 041	94 566
i Tubes & pipes	66 844	72 367
ii Wire	28 015	15 789
iii Other	5 182	6 410

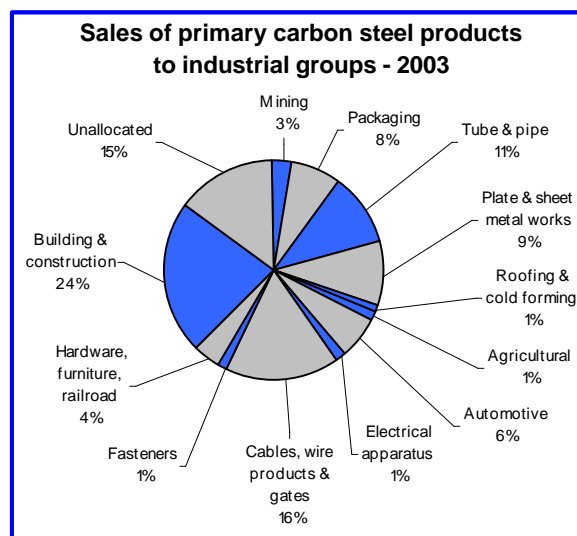


Source: South African Iron and Steel Institute  
r = revised

# Carbon steel sales to industrial groups during 2003

Sales of primary carbon steel products to industrial groups			
Metric tons	2003		
	Profile	Flat	Total
1 Mining	63 448	47 052	110 500
2 Total Manufacturing	833 923	1 373 427	2 207 350
Packaging	543	281 331	281 874
Structural Metal	12 360	768 871	781 231
Tube & pipe	3 133	393 120	396 253
Plate & sheet metal works	9 227	346 344	355 571
Roofing & cold forming	0	29 407	29 407
Agricultural	39 515	1 994	41 509
Automotive	30 368	205 710	236 078
Electrical apparatus	263	54 014	54 277
Cables, wire products & gates	612 409	4 838	617 247
Fasteners	49 184	149	49 333
Other: Hardware, furniture, rail	89 281	56 520	145 801
3 Building & construction	640 952	223 983	864 935
4 Unallocated	207 045	357 656	564 701
5 Total	1 745 368	2 002 118	3 747 486

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	2003	2003/2002
<b>Mining</b>	113 380	111 911	-1.3%	124 995	11.7%	110 500	-11.6%
<b>Manufacturing</b>	2 189 077	2 273 100	3.8%	2 684 753	18.1%	2 207 350	-17.8%
Packaging	285 210	302 860	6.2%	313 015	3.4%	281 874	-9.9%
Structural Metal	904 366	879 894	-2.7%	1 069 074	21.5%	781 231	-26.9%
Tube & Pipe	410 068	420 387	2.5%	522 588	24.3%	396 253	-24.2%
Plate & Sheet metal works	437 605	402 683	-8.0%	475 010	18.0%	355 571	-25.1%
Roofing & Cold forming	56 693	56 824	0.2%	71 476	25.8%	29 407	-58.9%
Agricultural	26 583	25 354	-4.6%	29 415	16.0%	41 509	41.1%
Automotive	247 704	237 074	-4.3%	308 045	29.9%	236 078	-23.4%
Electrical Apparatus/White Goods	51 662	51 358	-0.6%	56 218	9.5%	54 277	-3.5%
Cables, wire products & gates	467 670	542 511	16.0%	672 177	23.9%	617 247	-8.2%
Fasteners	42 106	49 141	16.7%	52 089	6.0%	49 333	-5.3%
Other	163 776	184 908	12.9%	184 720	-0.1%	145 801	-21.1%
<b>Building &amp; Construction</b>	751 046	885 206	17.9%	1 033 880	16.8%	864 935	-16.3%
<b>Unallocated</b>	559 792	559 747	0.0%	676 817	20.9%	564 701	-16.6%
<b>Total Domestic despatches</b>	3 613 295	3 829 964	6.0%	4 520 445	18.0%	3 747 486	-17.1%

Source: South African Iron and Steel Institute