

steelnews



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Institute

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Domestic carbon steel sales increased by 13,1% during Q1 of 2004

Total domestic carbon steel sales increased by 13,1% during the first quarter of 2004 compared with the first quarter of 2003. During this period sales of carbon steel flat products increased by 5,1% while sales of long products increased by 23%. Total domestic carbon steel sales increased by 13,2% during the first quarter of 2004 compared with the fourth quarter of 2003.

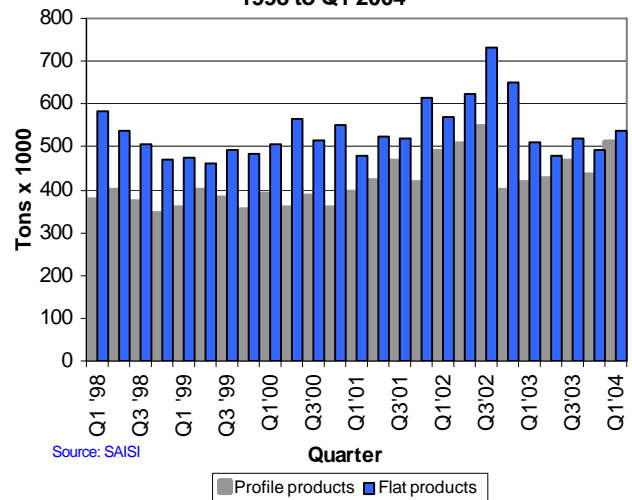
The economic growth outlook for the South African economy appears relatively positive during the remainder of 2004 following the meagre GDP growth rate (unrevised) of 1,9% during 2003. The latest economic growth figures on gross domestic product suggest that growth is becoming more balanced in the various sectors of the economy.

The construction, transport and communications sectors recorded the best economic growth rates during the first quarter of 2004 while economic growth in the agricultural and manufacturing sectors was less convincing. However, it appears as if the manufacturing industry is recovering from the difficulties it experienced during 2003.

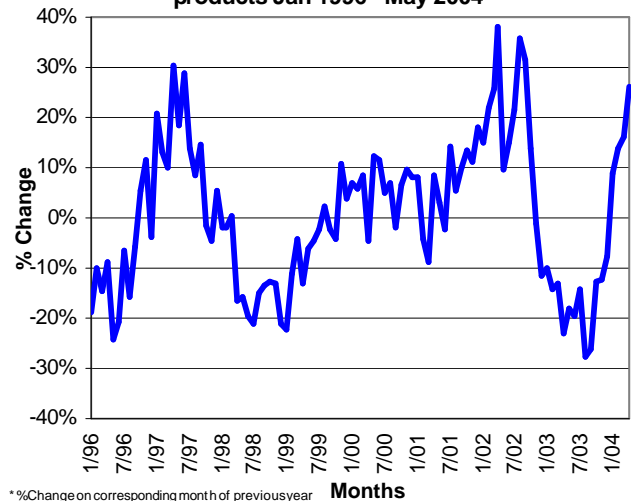
With the hope that the geo-political developments on the crude oil price might be temporary, a continued low inflation and interest rate environment should bolster domestic demand.

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Local sales of primary carbon steel products
1998 to Q1 2004



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



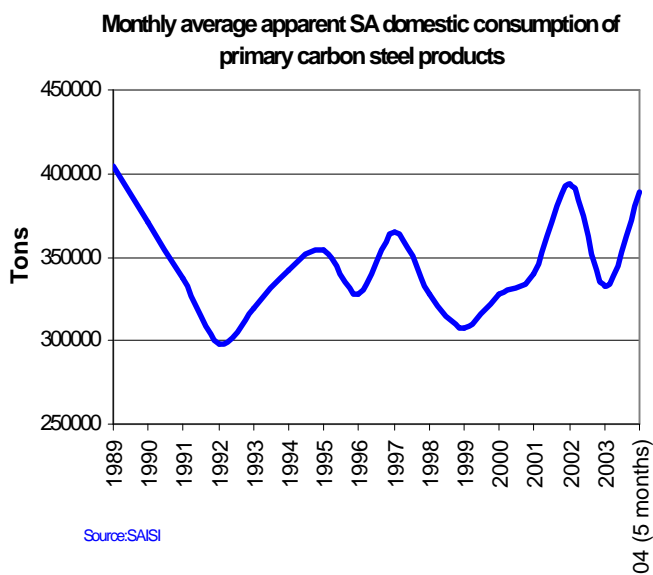
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Steel sales increased by 13,1% during Q1 of 2004 (continued from page 1)

Total local sales of primary carbon steel products - 2003 to May 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	198.6	179.0	377.5
Q1	416.6	510.6	927.2	512.4	536.4	1048.9
APRIL	135.3	162.1	297.4	177.4	198.0	375.4
MAY	147.8	157.1	304.9	190.6	211.8	402.3
JUNE	141.1	159.9	301.1			0.0
Q2	424.3	479.1	903.4	368.0	409.8	777.8
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	880.4	946.2	1 826.7

Source: SAISI



Imports of primary steel products at 6,3% of apparent domestic carbon steel consumption during Q1 of 2004

Imports of primary carbon and alloy steel products as a percentage of total apparent domestic carbon steel consumption increased to 6,3% during Q1 of 2004 compared with 6,0% during 2003 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-

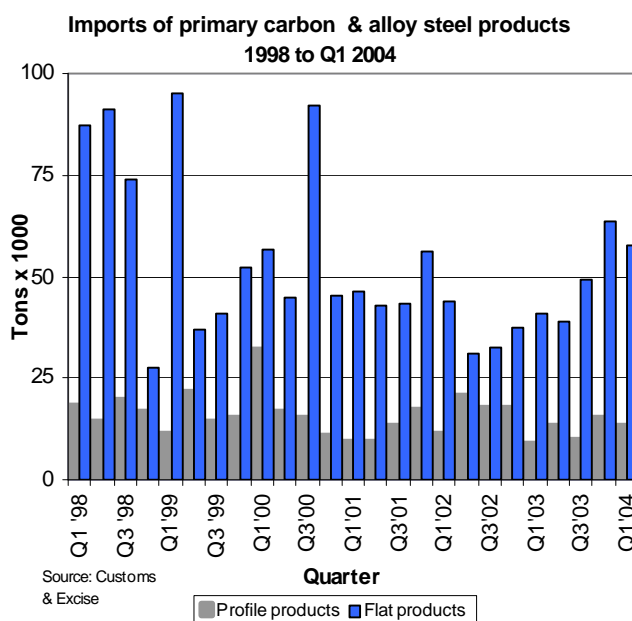
ding rails) increased by 43,1% during Q1 of 2004 compared with Q1 of 2003. However, imports during the first quarter 2004 decreased by 10,2% compared with imports during the fourth quarter of 2003. Imports of profile products during the first quarter of 2004 decreased by 13,7%, while imports of flat products decreased by 9,3% compared with the fourth quarter of 2003.

Continued on page 3

Imports of primary carbon and alloy steel products - 2003 to March 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	7.1	16.5	23.6
MAR	4.2	20.4	24.6	2.8	24.9	27.8
Q1	8.7	40.7	49.4	13.2	57.6	70.7
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	13.2	57.6	70.7

Source: Customs & Excise



Imports at 6,3% of steel demand in Q1 of 2004 (continued from page 2)

IMPORTS - South Africa's ten most important steel trading partners in 2003 and Q1 2004 (All products including stainless steel and finished wire—HS codes 7206 to 7302 - tons)

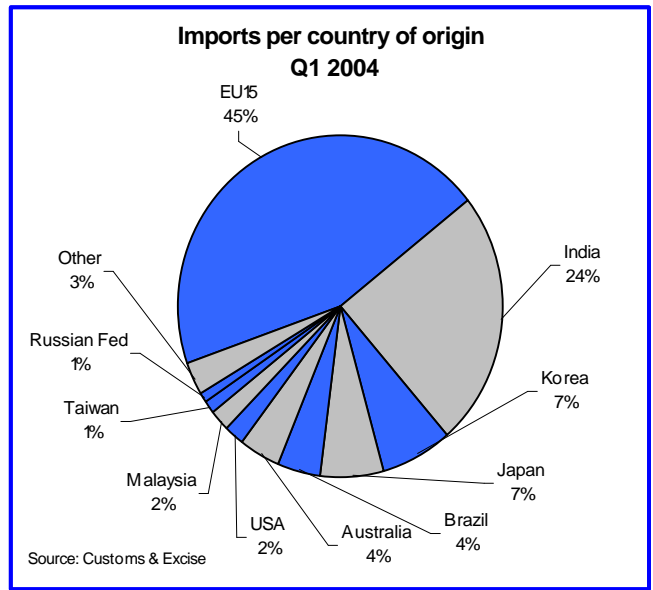
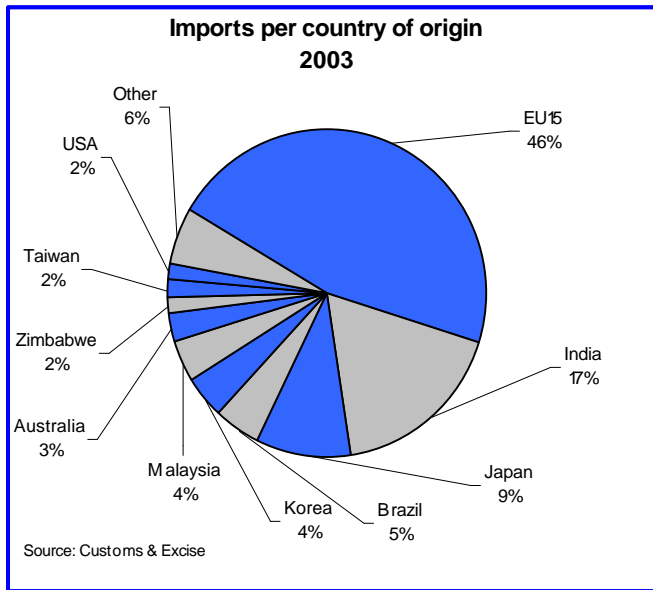
Countries	2003	Countries	Q1 2004
EU15	129 754	EU15	36 736
India	48 384	India	19 688
Japan	26 218	Korea	5 599
Brazil	13 056	Japan	5 407
Korea	11 986	Brazil	3 423
Malaysia	11 259	Australia	3 343
Australia	7 439	USA	1 584
Zimbabwe	4 982	Malaysia	1 492
Taiwan	4 830	Taiwan	1 151
USA	4 298	Russian Fed	795
Total 10 countries	262 205	Total 10 countries	79 217
Total imports	277 803	Total imports	81 625
10 Countries/ total	94.4%	10 Countries/ total	97.1%
Other	15 598	Other	2 408

Source: Customs & Excise

During the first quarter of 2004 imports from India consisted mostly (53%) of hot-dipped galvanised sheet, representing 77% of all carbon steel hot-dipped galvanised sheet imports into South Africa. Imports of carbon steel hot-rolled coil & sheet from India amounted to 4 700 tons, or 29% of all carbon steel hot-rolled coil & sheet imports.

Imports from Korea consisted mostly (54%) of TFS, Alu-zinc & other coated sheet products, representing 51% of all TFS, Alu-zinc & other coated sheet products imports. Imports from Brazil consisted mostly (34%) of carbon steel hot-rolled coil & sheet while 1 215 tons of stainless steel was imported.

Imports from Australia consisted mostly (89%) of painted sheet, representing 43% of the total of 6 892 tons of painted sheet imported during the first quarter of 2004. Imports from the Russian Federation consisted exclusively of alloy steel products.



Exports of carbon steel products as reported by South African producers decreased by 3,4% during Q1 of 2004

Exports of primary carbon steel products, reported by South African primary steel manufacturers, decreased by 3,4% during the first quarter of 2004 compared with the first quarter of 2003. During the first quarter of 2004, exports decreased by 5,5% compared with the fourth quarter of 2003. During the first quarter of 2004 flat product exports decreased by 2,8% compared with the fourth quarter of 2003 while exports of profile products showed a decrease of 9,8% during the first quarter of 2004 compared with the fourth quarter of 2003.

During the first quarter of 2004, exports of flat carbon steel products amounted to 62,7% of total exports and the exports of profile carbon steel products to 37,3% of total exports. (continued on page 4)

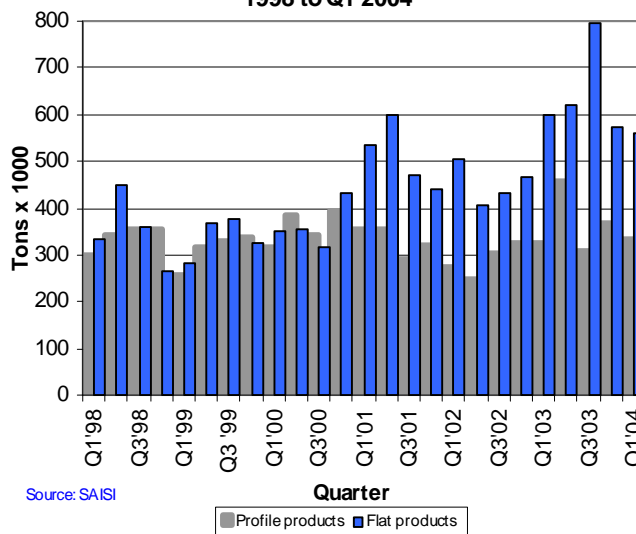
Exports decreased by 3,4% during Q1 of 2003 (continued from page 3)

Exports of primary carbon steel products reported by the primary steel producers - 2003 & 2004 (5 months) ('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	128.6	250.8	379.3
Q1	326.0	598.0	924.1	333.0	559.3	892.4
APRIL	149.0	212.5	361.5	104.6	174.9	279.5
MAY	130.6	163.0	293.6	73.2	181.5	254.7
JUNE	177.3	243.6	420.9			0.0
Q2	456.9	619.0	1075.9	177.9	356.3	534.2
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	510.9	915.7	1 426.5

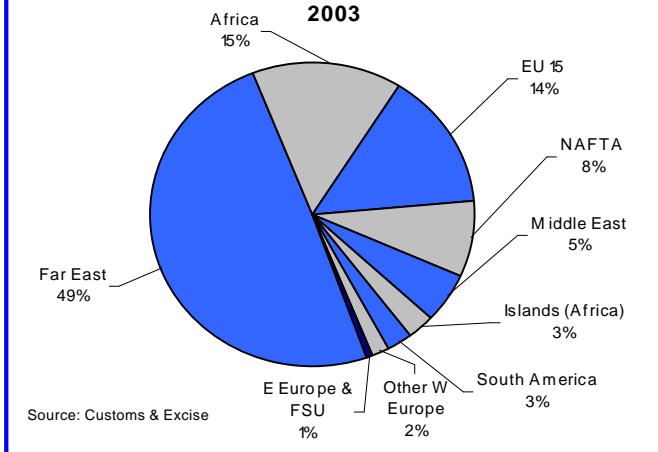
Source: SAISI

Exports of primary carbon steel products 1998 to Q1 2004



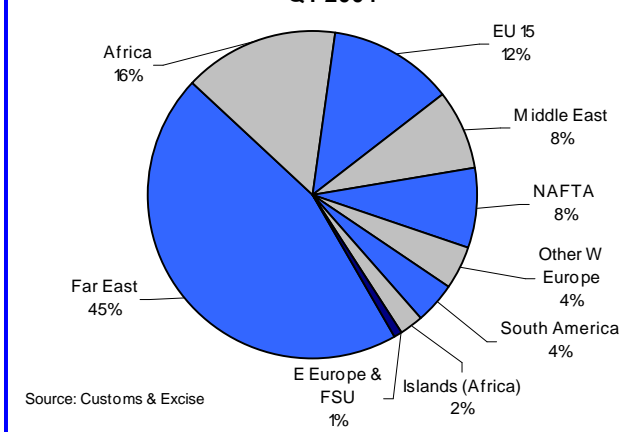
Source: SAISI

Exports per region of destination 2003



Source: Customs & Excise

Exports per region of destination Q1 2004



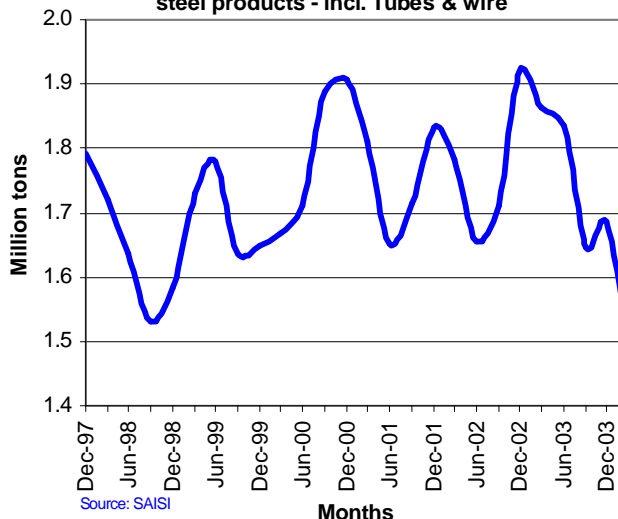
Source: Customs & Excise

Stocks of primary steel products on hand at the end of December 2003 and March 2004

Products (metric tons)	Dec 2003 r	March 2004
1 Iron and non-alloy steel	1 528 293	1 358 837
A Semi-finished products	431 685	340 690
B Total finished products	1 096 608	1 018 147
C Total flat rolled products	713 861	661 097
i Hot-rolled	394 731	367 608
ii Cold-rolled	138 305	133 833
iii Clad, plated or coated	180 825	159 656
D Total profile products	382 747	357 050
i Bars and rods	124 548	97 259
ii Angles and sections	258 199	259 791
2 Stainless steel products	61759	57 694
3 Other alloy steel	2918	2 008
4 Other products	93 402	80 805
i Tubes & pipes	71 228	55 672
ii Wire	15 789	16 904
iii Other	6 385	8 229

Source: SAISI
r = revised

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

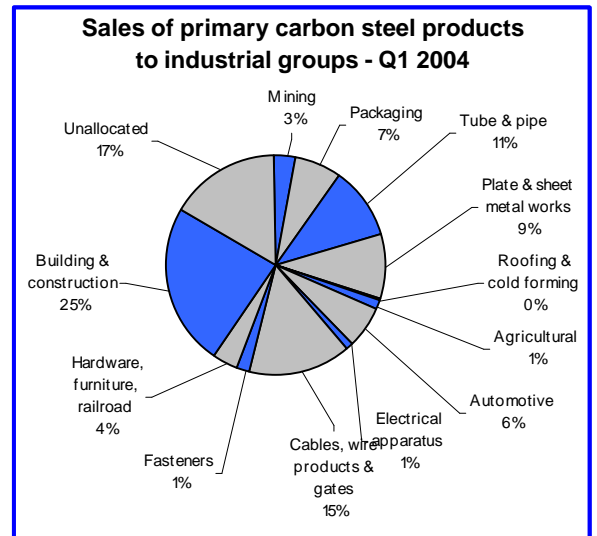


Source: SAISI

Carbon steel sales to industrial groups during Q1 of 2004

Sales of primary carbon steel products to industrial groups			
Metric tons	Q1 2004		
	Profile	Flat	Total
1 Mining	20 935	15 254	36 189
2 Total Manufacturing	228 186	357 754	585 940
Packaging	246	70 648	70 894
Structural Metal	4 321	209 724	214 045
Tube & pipe	1 424	111 753	113 177
Plate & sheet metal works	2 897	93 243	96 140
Roofing & cold forming	0	4 728	4 728
Agricultural	10 680	248	10 928
Automotive	12 814	53 196	66 010
Electrical apparatus	488	9 046	9 534
Cables, wire products & gates	154 722	2 689	157 411
Fasteners	15 394		15 394
Other: Hardware, furniture, rail	29 521	12 203	41 724
3 Building & construction	208 148	48 097	256 245
4 Unallocated	59 419	114 648	174 067
5 Total	516 688	535 753	1 052 441

Source: South African Iron and Steel Institute



Sales of primary carbon steel products to industrial groups							
Metric tons	2001/2000	2002/2001	2003	2003/2002	Q1 2003	Q1 2004	Q1 04/Q1 03
Mining	-1.3%	11.7%	110 500	-11.6%	23 772	36 189	52.2%
Manufacturing	3.8%	18.1%	2 207 350	-17.8%	583 807	585 940	0.4%
Packaging	6.2%	3.4%	281 874	-9.9%	88 193	70 894	-19.6%
Structural Metal	-2.7%	21.5%	781 231	-26.9%	194 654	214 045	10.0%
Tube & Pipe	2.5%	24.3%	396 253	-24.2%	109 293	113 177	3.6%
Plate & Sheet metal works	-8.0%	18.0%	355 571	-25.1%	79 032	96 140	21.6%
Roofing & Cold forming	0.2%	25.8%	29 407	-58.9%	6 329	4 728	-25.3%
Agricultural	-4.6%	16.0%	41 509	41.1%	11 130	10 928	-1.8%
Automotive	-4.3%	29.9%	236 078	-23.4%	61 664	66 010	7.0%
Electrical Apparatus/White Goods	-0.6%	9.5%	54 277	-3.5%	13 076	9 534	-27.1%
Cables, wire products & gates	16.0%	23.9%	617 247	-8.2%	162 781	157 411	-3.3%
Fasteners	16.7%	6.0%	49 333	-5.3%	12 960	15 394	18.8%
Other	12.9%	-0.1%	145 801	-21.1%	39 349	41 724	6.0%
Building & Construction	17.9%	16.8%	864 935	-16.3%	189 553	256 245	35.2%
Unallocated	0.0%	20.9%	564 701	-16.6%	128 709	174 067	35.2%
Total Domestic despatches	6.0%	18.0%	3 747 486	-17.1%	925 841	1 052 441	13.7%

Source: South African Iron and Steel Institute