



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



Cape Gate



Cisco



Columbus



Highveld Steel



Mittal Steel SA



Scaw Metals

SAISI
P O Box 6318
PRETORIA
0001
Tel: 27 12 320 2450
Fax: 27 12 320 2456

website :
www.saisi.co.za
e-mail :
saisi@saisi.co.za



Domestic carbon steel sales increased by 19,8% during 2004

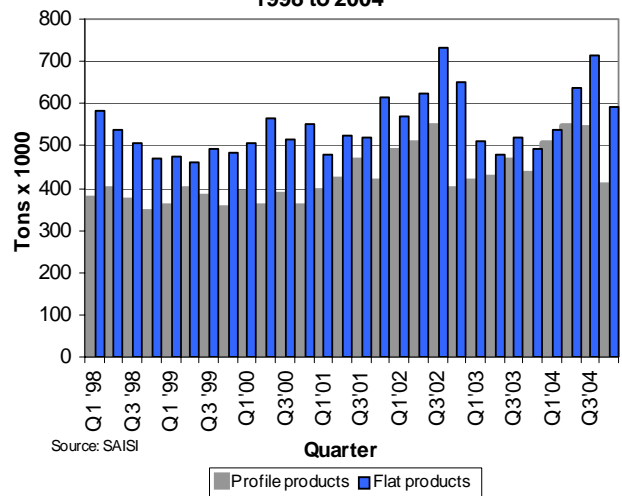
Total domestic carbon steel sales increased by 19,8% during 2004 compared with 2003. During this period sales of carbon steel flat products increased by 23,6% while sales of long products increased by 15,4%. Domestic carbon steel sales of flat and profile products decreased by 20,2% during the fourth quarter 2004 compared with the third quarter 2004.

By all accounts, the current domestic economic environment is still characterised by lively consumer demand and high levels of economic activity. Apart from a welcome real increase in fixed capital formation on productive assets such as non-residential buildings, economic infrastructure and production equipment, consumption expenditure continued unabated.

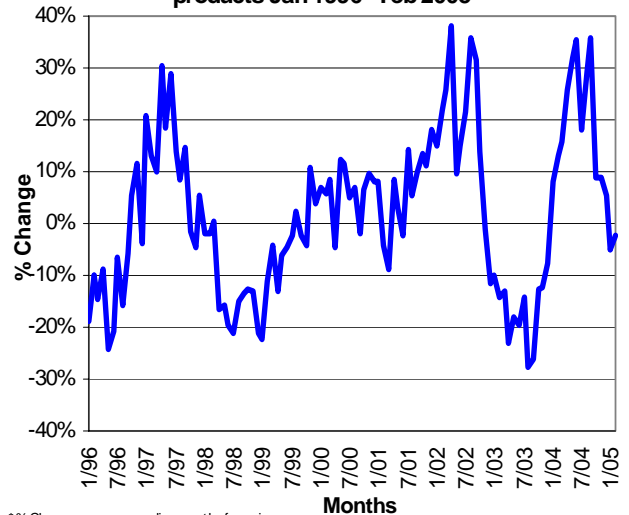
Although part of the increase in demand has been met by increases in local production, external demand – in the form of exports - continues to be under strain. The primary sector lags the rest of the economy and are struggling to regain lost ground while the export market continues to remain somewhat subdued. Capacity constraints are unlikely to manifest themselves in the more basic industries of the economy, but the strong growth in the services sector may add pressure to the already relative high inflation rates of those sectors.

Continued on page 2

Local sales of primary carbon steel products
1998 to 2004



Change* in local sales of primary carbon steel products Jan 1996 - Feb 2005



*% Change on corresponding month of previous year

Contents

Page

• Domestic carbon steel sales increased by 19,8% during 2004	1
• Imports of primary steel products at 6,4% of apparent domestic consumption	2
• Exports of carbon steel products decreased by 21,9% during 2004	3
• Carbon steel sales to industrial groups during Q4 of 2004	4
• Stocks of primary steel products on hand at the end of December 2004	5

Steel sales increased by 19,8% during 2004

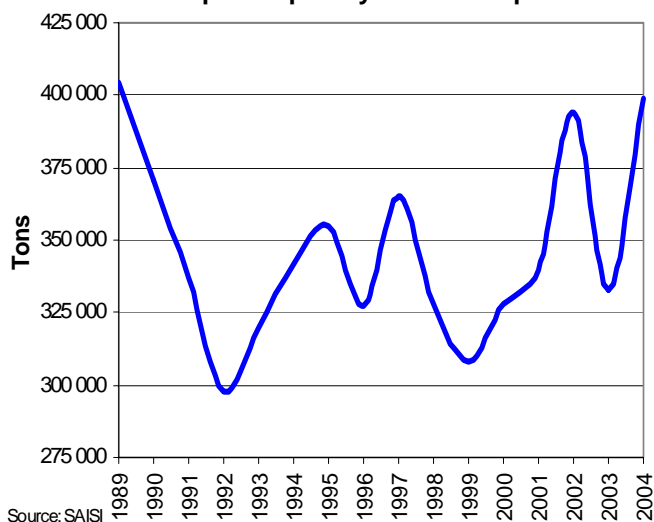
(continued from page 1)

Total local sales of primary carbon steel products - 2003 to Feb 2005 ('000 tons)

MONTH	2003			2004			2005		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	129.1	175.3	304.4	145.6	184.0	329.5	132.6	181.0	313.6
FEB	139.8	158.5	298.3	164.1	173.5	337.6	158.9	170.8	329.7
MAR	147.7	176.8	324.5	196.7	179.0	375.7			
Q1	416.6	510.6	927.2	506.3	536.4	1042.8	291.4	351.8	643.2
APRIL	135.3	162.1	297.4	176.3	198.0	374.4			
MAY	147.8	157.1	304.9	190.6	211.8	402.3			
JUNE	141.1	159.9	301.1	181.7	225.8	407.6			
Q2	424.3	479.1	903.4	548.6	635.6	1184.3	0.0	0.0	0.0
JULY	161.4	187.5	348.9	176.1	235.9	412.0			
AUG	155.6	161.7	317.2	174.4	235.7	410.1			
SEP	147.5	170.6	318.0	190.8	240.8	431.5			
Q3	464.5	519.7	984.2	541.3	712.3	1253.6	0.0	0.0	0.0
OCT	174.8	194.8	369.6	157.0	244.6	401.6			
NOV	169.2	180.0	349.1	159.0	221.4	380.4			
DEC	87.9	120.1	208.0	92.2	126.6	218.8			
Q4	431.9	494.8	926.7	408.2	592.6	1000.9	0.0	0.0	0.0
TOTAL	1737.3	2004.2	3741.5	2004.5	2477.0	4481.5	291.4	351.8	643.2

Source: SAI

Monthly average apparent SA domestic consumption of primary carbon steel products



Source: SAI

Imports of primary steel products at 6,4% of apparent domestic carbon steel consumption during 2004

Imports of primary carbon and alloy steel products as a percentage of total apparent domestic carbon steel consumption amounted to 6,4% during 2004 compared with 6,0% during 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 28,9% during 2004.

Imports during the fourth quarter of 2004 decreased by 15,8% compared with imports during the third quarter of 2004.

Imports of flat products during the fourth quarter of 2004 decreased by 27,5% while imports of profile products increased by 60,0% compared with the third quarter of 2004.

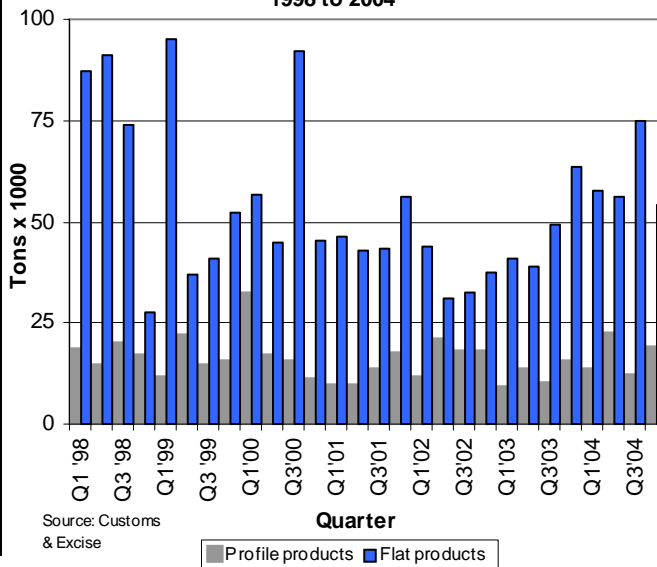
Imports of primary carbon and alloy steel products - 2003 to Jan 2005 ('000 tons)

MONTH	2003			2004			2005		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	3.1	10.7	13.8	3.2	16.1	19.4	6.7	20.4	27.1
FEB	1.4	9.6	11.0	7.1	16.5	23.6			0.0
MAR	4.2	20.4	24.6	2.8	24.9	27.8			0.0
Q1	8.7	40.7	49.4	13.2	57.6	70.7	6.7	20.4	27.1
APRIL	3.5	12.3	15.8	2.7	14.1	16.7			0.0
MAY	2.4	11.1	13.5	11.2	17.2	28.5			0.0
JUNE	7.4	15.4	22.9	8.5	24.6	33.1			0.0
Q2	13.3	38.8	52.2	22.4	55.9	78.3	0.0	0.0	0.0
JULY	3.7	16.1	19.8	3.4	22.0	25.4			0.0
AUG	3.3	12.9	16.2	5.4	33.0	38.4			0.0
SEP	2.8	20.1	22.9	3.0	19.7	22.7			0.0
Q3	9.8	49.1	58.9	11.7	74.8	86.5	0.0	0.0	0.0
OCT	6.9	13.9	20.9	7.9	17.1	25.0			0.0
NOV	6.5	19.8	26.4	9.3	23.1	32.4			0.0
DEC	1.8	29.7	31.5	1.4	14.0	15.3			0.0
Q4	15.3	63.5	78.7	18.6	54.2	72.8	0.0	0.0	0.0
TOTAL	47.1	192.0	239.2	65.9	242.4	308.3	6.7	20.4	27.1

Source: Customs & Excise

Continued on page 3

Imports of primary carbon & alloy steel products 1998 to 2004



Source: Customs & Excise

Legend: Profile products (grey), Flat products (blue)

Imports at 6,4% of carbon steel demand in 2004 (continued from page 2)

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

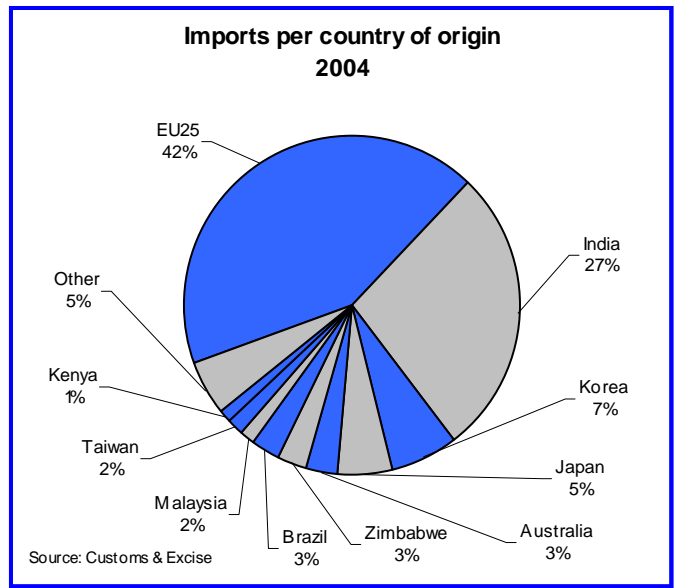
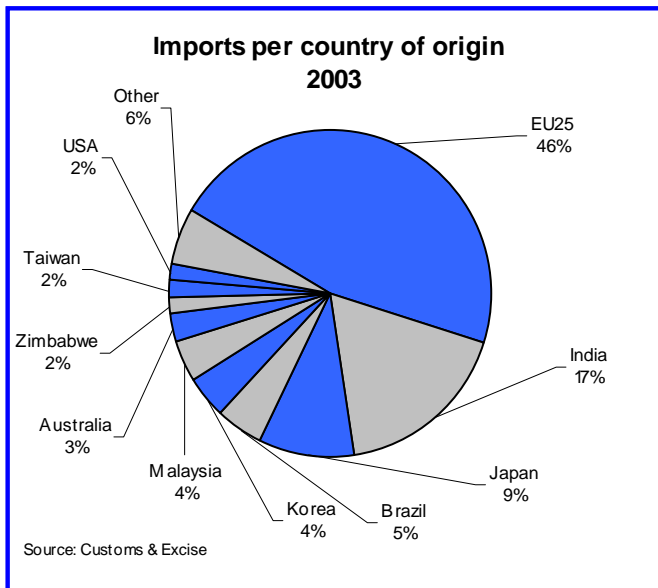
Countries	2003	Countries	2004
EU25	129 742	EU25	151 865
India	48 384	India	96 852
Japan	26 218	Korea	23 159
Brazil	13 056	Japan	18 564
Korea	11 986	Australia	10 823
Malaysia	11 259	Zimbabwe	10 679
Australia	7 439	Brazil	9 012
Zimbabwe	4 982	Malaysia	5 771
Taiwan	4 830	Taiwan	5 508
USA	4 297	Kenya	3 582
Total 10 countries	262 192	Total 10 countries	335 815
Total imports	277 749	Total imports	354 874
10 Countries/ total	94.4%	10 Countries/ total	94.6%
Other	15 557	Other	19 059

Source: Customs & Excise

During 2004 imports from India consisted mostly (65%) of hot-dipped galvanised sheet, representing 79% of all carbon steel hot-dipped galvanised sheet imports into South Africa. Imports of carbon steel cold-rolled coil & sheet from India amounted to 9 985 tons, or 73% of all carbon steel cold-rolled coil & sheet imports. Imports of carbon steel hot-rolled coil & sheet from India amounted to 6 478 tons, or 64% of all carbon steel hot-rolled coil & sheet imports into South Africa.

Imports from Korea consisted mostly (44%) of TFS, Alu-zinc & other coated sheet products, representing 33% of all TFS, Alu-zinc & other coated sheet products imports. Imports from Brazil consisted mostly (52%) of hot & cold-rolled flat stainless steel products.

Imports from Australia consisted mostly (75%) of painted sheet, representing 34% of the total of 23 793 tons of painted sheet imported during 2004. Imports from Zimbabwe consisted mostly of hot-rolled sections & reinforcing bar. Imports from Kenya consists of hot-dipped galvanised sheet and TFS, Alu-zinc & other coated sheet.



Exports of carbon steel products as reported by South African producers decreased by 21,9% during 2004

Exports of primary carbon steel products, reported by South African primary steel manufacturers, decreased by 21,9% during 2004 compared with 2003. During the fourth quarter of 2004, exports increased by 14,6% compared with the third quarter of 2004. During the fourth quarter of 2004 flat product exports increased by 16,6% compared with the third quarter of 2004 while exports of profile products recorded an increase of 10,5% during the same period.

During 2004, exports of flat carbon steel products amounted to 67,1% of total exports and the exports of profile carbon steel products to 32,9% of total exports.

(continued on page 4)

Exports decreased by 21,9% during 2004

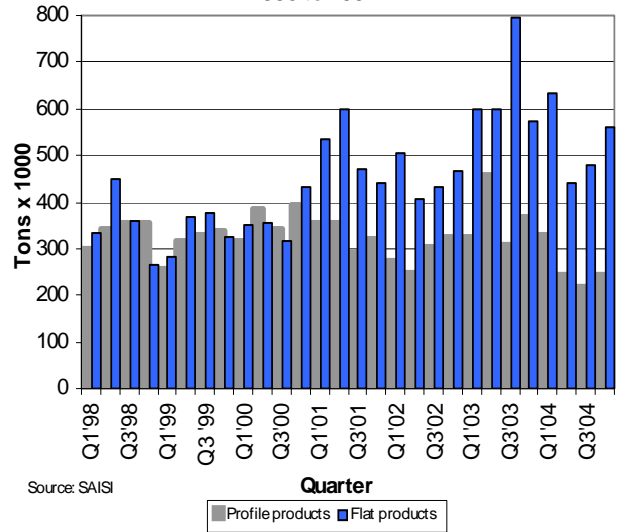
(continued from page 3)

Exports of primary carbon steel products reported by the primary steel producers - 2003 to Feb 2005 ('000 tons)

MONTH	2003			2004			2005		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	91.8	209.0	300.8	103.9	154.6	258.4	71.4	97.1	168.5
FEB	104.1	200.6	304.7	97.6	225.8	323.4	77.7	215.3	293.0
MAR	130.1	188.5	318.6	126.2	250.8	376.9			
Q1	326.0	598.0	924.1	327.6	631.2	958.8	149.1	312.4	461.5
APRIL	149.0	193.9	342.9	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	66.0	85.2	151.3			
Q2	456.9	600.5	1057.4	243.9	441.6	685.5	0.0	0.0	0.0
JULY	120.8	272.7	393.5	91.6	114.6	206.2			
AUG	78.2	259.1	337.3	75.9	170.6	246.5			
SEP	111.0	262.2	373.2	52.7	194.0	246.7			
Q3	309.9	794.0	1103.9	220.2	479.2	699.4	0.0	0.0	0.0
OCT	164.7	193.4	358.2	76.7	166.5	243.2			
NOV	107.7	179.7	287.4	104.6	147.3	251.9			
DEC	96.6	202.2	298.8	61.9	244.8	306.7			
Q4	369.0	575.4	944.4	243.2	558.6	801.8	0.0	0.0	0.0
TOTAL	1 461.8	2 568.0	4 029.8	1 034.9	2 110.5	3 145.5	149.1	312.4	461.5

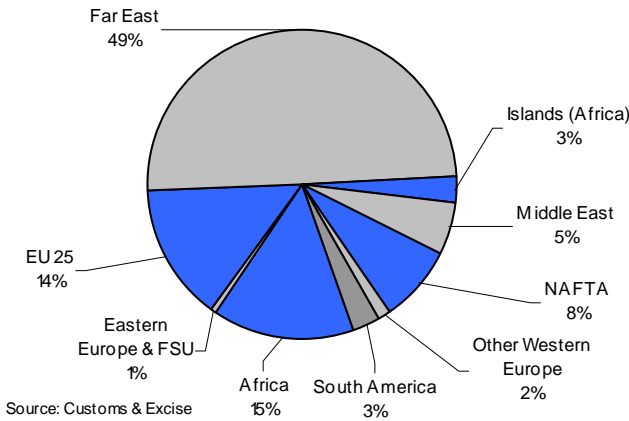
Source: SAIISI

Exports of primary carbon steel products 1998 to 2004



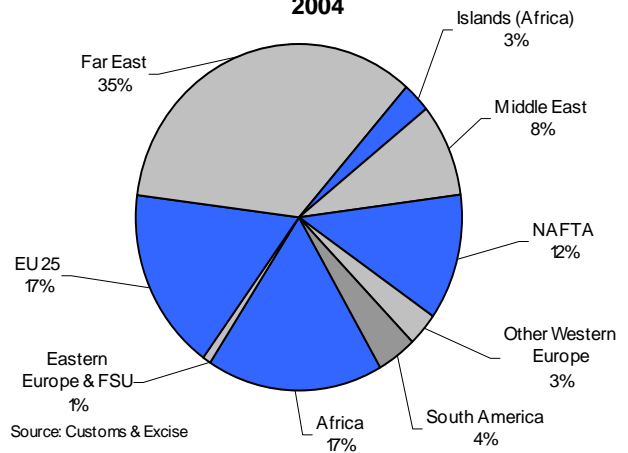
Source: SAIISI

Exports per region of destination 2003



Source: Customs & Excise

Exports per region of destination 2004



Source: Customs & Excise

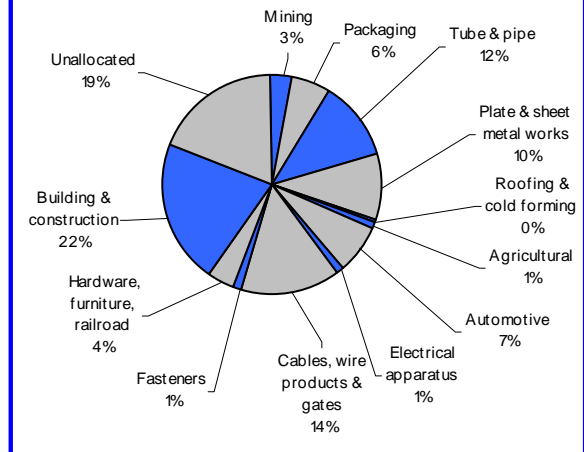
Carbon steel sales to industrial groups during 2004

Sales of primary carbon steel products to industrial groups

Metric tons	2004		
	Profile	Flat	Total
1 Mining	74 540	71 273	145 813
2 Total Manufacturing	882 818	1 636 836	2 519 654
Packaging	617	260 049	260 666
Structural Metal	10 821	971 462	982 283
Tube & pipe	3 528	524 082	527 610
Plate & sheet metal works	7 293	425 026	432 319
Roofing & cold forming	0	22 354	22 354
Agricultural	36 782	1 776	38 558
Automotive	30 146	281 670	311 816
Electrical apparatus	208	48 969	49 177
Cables, wire products & gates	634 652	12 434	647 086
Fasteners	56 908	205	57 113
Other: Hardware, furniture, rail	112 684	60 271	172 955
3 Building & construction	764 168	201 866	966 034
4 Unallocated	302 845	558 760	861 605
5 Total	2 024 371	2 468 735	4 493 106

Source: South African Iron and Steel Institute

Sales of primary carbon steel products to industrial groups - 2004



Carbon steel sales to industrial groups during 2004

(continued from page 4)

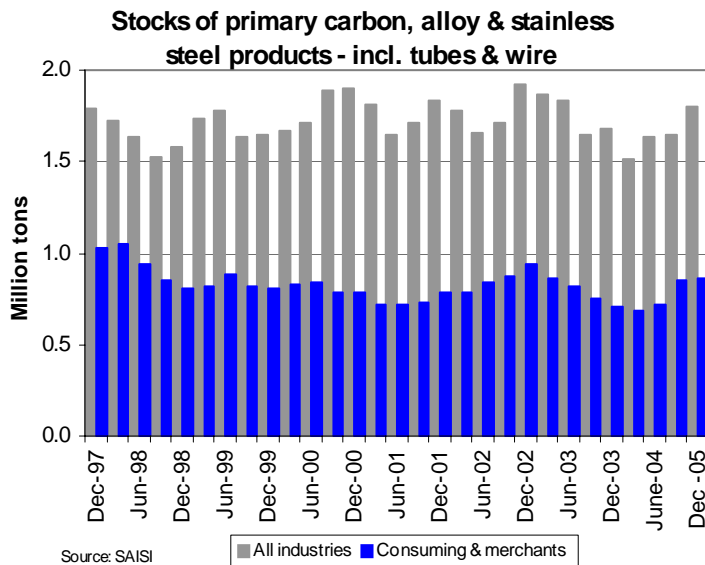
Sales of primary carbon steel products to industrial groups									
Metric tons	2000	2001	2001/2000	2002	2002/2001	2003	2003/2002	2004	2004/2003
Mining	113 380	111 911	-1.3%	124 995	11.7%	110 500	-11.6%	145 813	32.0%
Manufacturing	2 189 077	2 273 100	3.8%	2 684 753	18.1%	2 207 350	-17.8%	2 519 654	14.1%
Packaging	285 210	302 860	6.2%	313 015	3.4%	281 874	-9.9%	260 666	-7.5%
Structural Metal	904 366	879 894	-2.7%	1 069 074	21.5%	781 231	-26.9%	982 283	25.7%
Tube & Pipe	410 068	420 387	2.5%	522 588	24.3%	396 253	-24.2%	527 610	33.1%
Plate & Sheet metal works	437 605	402 683	-8.0%	475 010	18.0%	355 571	-25.1%	432 319	21.6%
Roofing & Cold forming	56 693	56 824	0.2%	71 476	25.8%	29 407	-58.9%	22 354	-24.0%
Agricultural	26 583	25 354	-4.6%	29 415	16.0%	41 509	41.1%	38 558	-7.1%
Automotive	247 704	237 074	-4.3%	308 045	29.9%	236 078	-23.4%	311 816	32.1%
Electrical apparatus/white goods	51 662	51 358	-0.6%	56 218	9.5%	54 277	-3.5%	49 177	-9.4%
Cables, wire products & gates	467 670	542 511	16.0%	672 177	23.9%	617 247	-8.2%	647 086	4.8%
Fasteners	42 106	49 141	16.7%	52 089	6.0%	49 333	-5.3%	57 113	15.8%
Other	163 776	184 908	12.9%	184 720	-0.1%	145 801	-21.1%	172 955	18.6%
Building & Construction	751 046	885 206	17.9%	1 033 880	16.8%	864 935	-16.3%	966 034	11.7%
Unallocated	559 792	559 747	0.0%	676 817	20.9%	564 701	-16.6%	861 605	52.6%
Total	3 613 295	3 829 964	6.0%	4 520 445	18.0%	3 747 486	-17.1%	4 493 106	19.9%

Source: South African Iron and Steel Institute

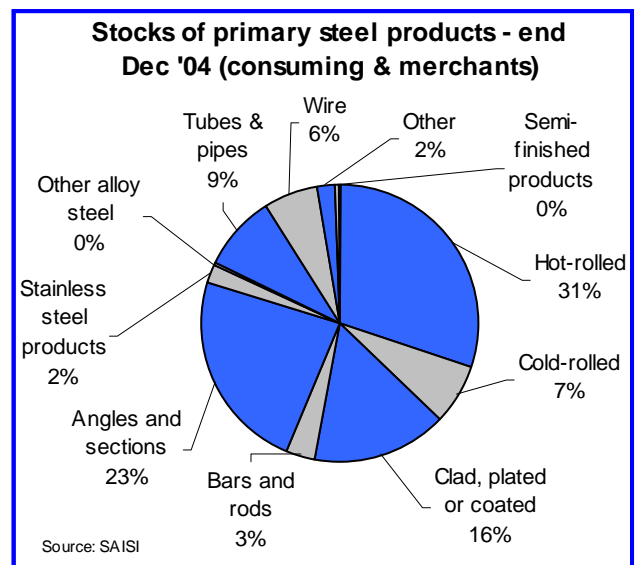
Stocks of primary steel products on hand - end of Dec '04

Products (metric tons)	June 2004		Sept 2004 - Revised		December 2004	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
1 Iron and non-alloy steel	1 493 613	627 626	1 483 957	738 345	1 633 332	749 393
A Semi-finished products	440 930	3 672	323 307	3 410	364 478	3 388
B Total finished products	1 052 683	623 954	1 160 650	734 935	1 268 854	746 005
C Total flat rolled products	684 229	408 762	744 472	478 954	805 312	492 737
i Hot-rolled	387 060	242 221	433 831	284 583	477 753	280 354
ii Cold-rolled	138 976	52 799	130 581	62 090	140 797	65 418
iii Clad, plated or coated	158 193	113 742	180 060	132 281	186 762	146 965
D Total profile products	368 454	215 192	416 178	255 981	463 542	253 268
i Bars and rods	94 286	23 324	104 122	28 256	121 354	32 285
ii Angles and sections	274 168	191 868	312 056	227 725	342 188	220 983
2 Stainless steel products	60 678	20 408	66 938	22 466	64 560	21 600
3 Other alloy steel	3 239	3 239	4 077	4 077	2 990	2 990
4 Other products	80 605	69 252	93 295	81 425	96 326	83 222
i Tubes & pipes	58 023	49 292	66 905	56 437	71 753	60 841
ii Wire	14 414	14 414	19 423	19 423	16 604	16 604
iii Other	8 168	5 546	6 967	5 565	7 969	5 777

Source: South African Iron and Steel Institute



Source: SAISI



* Primary & consuming industries and merchants

** Consuming industries & merchants