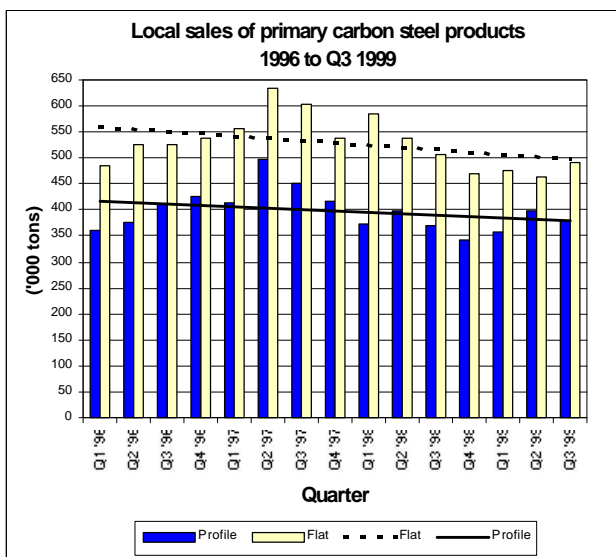


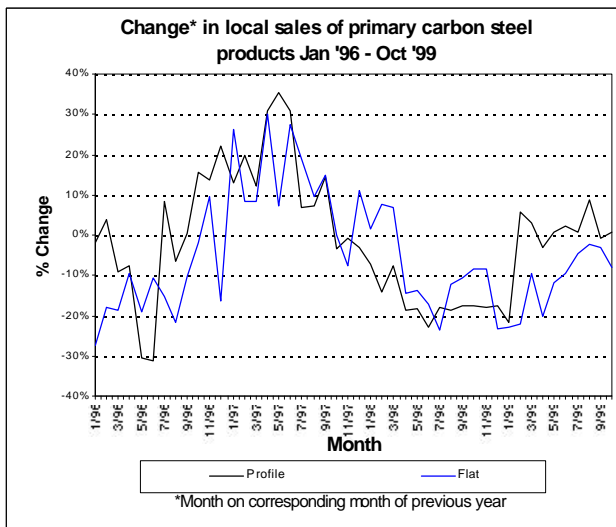


MARGINAL IMPROVEMENT IN LOCAL STEEL SALES CONTINUES

The rate of improvement in domestic steel sales since the first quarter of 1999 declined somewhat as sales in the third quarter of 1999 increased by only 1% compared with the second quarter of 1999. Sales during the second quarter of 1999 increased by 3,2% compared with the first quarter of 1999 and the first quarter of 1999 increased with 2,8% compared with the fourth quarter of 1998.



Third quarter 1999 economic growth figures confirmed that an accelerating recovery of the domestic economy is underway. On a year on year basis GDP declined by 0,1% during the first quarter of 1999 but then increased by 0,9% in the second quarter and accelerated, from a low base, to 1,7% during the third quarter. However, there is concern that there are still too few indicators of a broad-based turnaround in the economy so far.



Steelnews is the official newsletter of the South African Iron and Steel Institute.

Comments on the contents and contributions for future editions are welcomed and should be sent to the Editor.

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Total local sales of primary carbon steel products - Jan. 1998 to October 1999 ('000 tons)

MONTH	1998			1999		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	119.7	208.9	328.6	93.8	161.1	254.9
FEB	123.9	192.7	316.6	131.0	150.4	281.4
MAR	130.0	182.4	312.4	134.2	164.7	298.9
Q1	373.6	584.0	957.6	359.0	476.2	835.2
APRIL	131.0	180.9	311.9	126.9	144.3	271.2
MAY	135.6	177.0	312.6	136.7	156.2	292.9
JUNE	132.4	180.0	312.4	135.2	162.7	297.9
Q2	399.0	537.9	936.9	398.8	463.2	862.0
JULY	120.3	166.4	286.7	121.4	158.9	280.3
AUG	117.3	163.1	280.4	127.8	159.2	287.0
SEP	131.2	178.6	309.8	130.2	173.0	303.2
Q3	368.8	508.1	876.9	379.4	491.1	870.5
OCT	134.2	188.2	322.4	135.3	173.5	308.8
NOV	132.0	166.1	298.1			0.0
DEC	76.3	115.9	192.2			0.0
Q4	342.5	470.2	812.7	135.3	173.5	308.8
TOTAL	1 483.9	2 100.2	3 584.1	1 272.5	1 604.0	2 876.5

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Manufacturing, which contributes 18,1% to GDP, managed a positive growth rate of only 0,7% during the third quarter of 1999, reversing the contraction of -3,9% and -1,6% during respectively the first and second quarters. However, mining continued its dismal performance of the last 18 months and declined by 2% in the third quarter. Construction declined by 2,3%, recording its fourth quarterly decline.

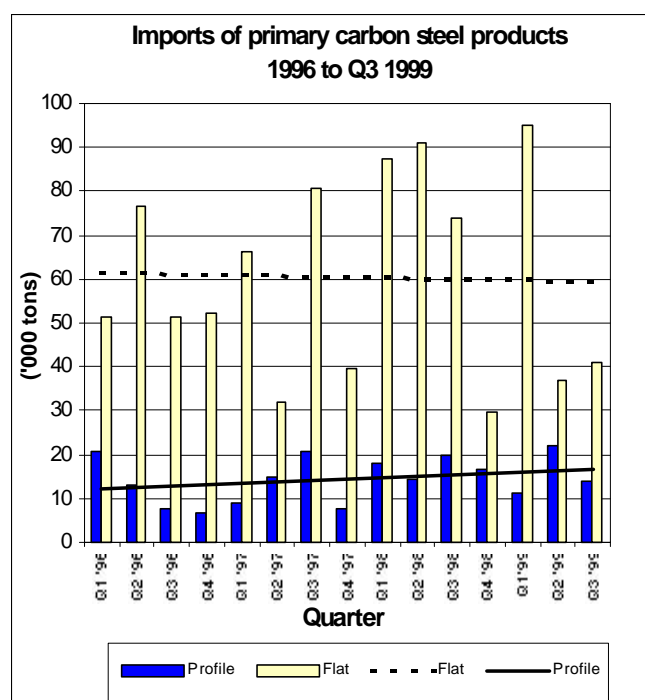
Domestic steel sales should increase as the economy continues to improve into 2000. However, it may take another two or three quarters for the full effect of the rate cuts to feed through.

STEEL IMPORTS CONTINUE TO DECLINE DURING THIRD QUARTER 1999

According to statistics from Customs and Excise, imports of primary carbon steel products (exc. wire and stainless, incl. rails) decreased by 5,8% during the third quarter of 1999, compared with the second quarter of 1999. The import level for the first three quarters of 1999 is now 27,7% lower than the imports during the first three quarters of 1998.

The imports of profile products decreased by 35,6% during the third quarter of 1999 compared with the second quarter of 1999 and by 28,4% compared with the third quarter of 1998. However, imports of flat products increased by 11,7% during the third quarter of 1999 compared with the second quarter of 1999. The import level for flat products during the first three quarters of 1999 is, however, 31,6% lower than the first three quarters of 1998. The imports of hot-rolled plates, sheets and coils declined by only 1,2% during the third quarter of 1999 compared with the second quarter of 1999.

Imports as a percentage of local despatches decreased to 8,6% during the first three quarters of 1999, compared with 11,0% during the first three quarters of 1998. Exports were 8,8 times more than imports during the first three quarters of 1999, against an average of 7,8 times for 1998 as a whole.



Imports of primary carbon steel products - Jan. 1998 to September 1999 ('000 tons)

MONTH	1998			1999		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	12.6	27.8	40.4	3.6	27.0	30.6
FEB	3.0	47.1	50.1	3.6	27.3	30.9
MAR	2.5	12.5	15.0	4.1	40.6	44.7
Q1	18.1	87.4	105.5	11.3	94.9	106.2
APRIL	5.6	54.7	60.3	9.1	13.7	22.8
MAY	5.6	10.1	15.7	8.9	9.5	18.4
JUNE	3.1	26.3	29.4	3.9	13.6	17.5
Q2	14.2	91.1	105.3	21.9	36.8	58.6
JULY	8.2	26.8	35.0	3.1	12.3	15.4
AUG	4.1	28.6	32.6	3.7	15.7	19.4
SEP	7.5	18.5	26.0	7.3	13.1	20.4
Q3	19.7	73.9	93.7	14.1	41.1	55.2
OCT	4.4	14.9	19.3			0.0
NOV	5.8	9.0	14.8			0.0
DEC	6.5	5.9	12.4			0.0
Q4	16.7	29.8	46.5	0.0	0.0	0.0
TOTAL	68.8	282.3	351.0	47.3	172.8	220.1

South Africa's ten most important steel trading partners in 1998 and 1999 (9 months)

Imports ('000 tons)

(All products incl. stainless and finished wire)

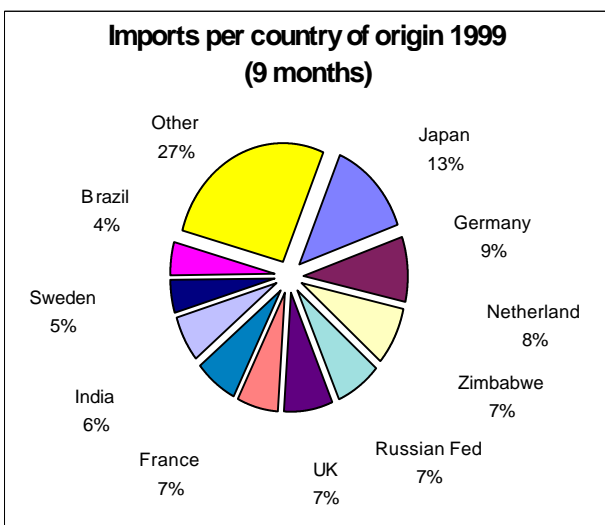
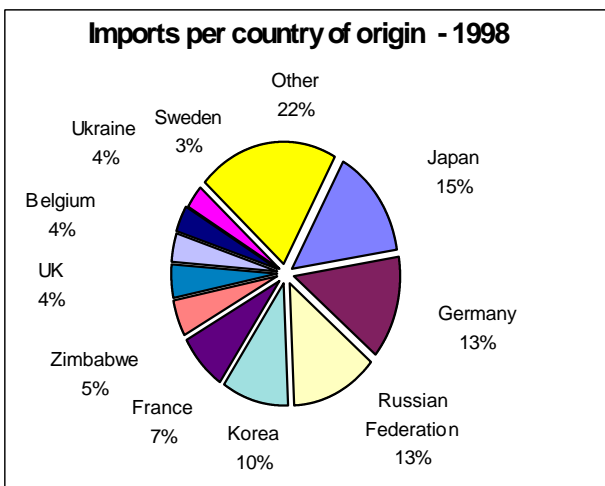
Countries	1998	Countries	1999(9 months)
Japan	56.168	Japan	33.441
Germany	51.708	Germany	22.586
Russian Federation	50.727	Netherland	19.087
Korea	38.393	Zimbabwe	18.142
France	28.381	Russian Fed	18.102
Zimbabwe	19.298	UK	16.452
UK	17.329	France	16.398
Belgium	14.499	India	16.053
Ukraine	14.294	Sweden	11.383
Sweden	12.391	Brazil	10.895
Total 10 countries	303.188	Total 10 countries	182.539
Total imports	387.234	Total imports	251.128
10 Countries/ total	78.3%	10 Countries/ total	72.7%

Source: Customs and Excise

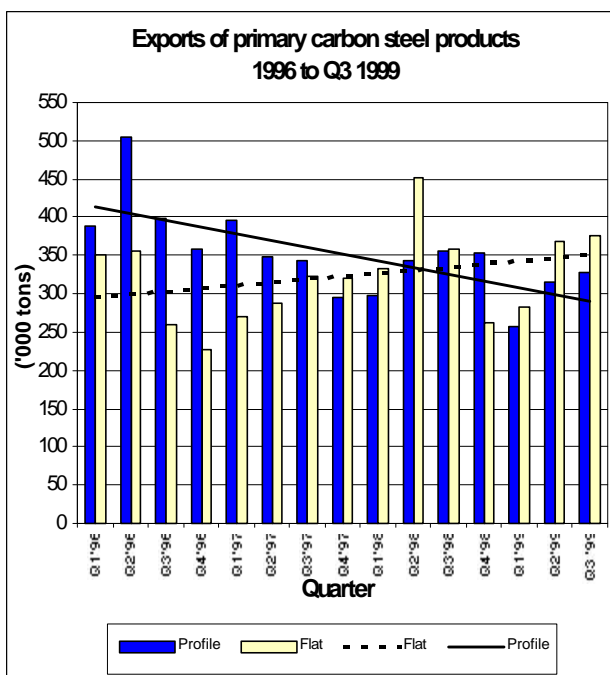
Imports of all primary steel products from Japan amounted to 11 812 tons during the third quarter of 1999, of which hot-rolled flat products accounted for 5 443 tons and coated flat products for 1 991 tons. During the third quarter of 1999 7 109 tons were imported from the Russian Federation. Cold-rolled flat products represented 4 029 tons and coated flat rolled products 2 133 tons.

A total of 3 342 tons of coated flat-rolled products were imported from India and 4 715 tons of bars were imported from Zimbabwe during the third quarter of 1999.

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EXPORTS DURING THIRD QUARTER OF 1999 SLIGHTLY UP ON SECOND QUARTER 1999 EXPORTS



Exports of primary carbon steel products, as reported by the members of SAI SI, continued to increase during the third quarter of 1999 and were only 1,3% less than during the third quarter of 1998. Exports of primary carbon steel products during the third quarter of 1999 managed to increase by 2,7% compared with the second quarter of 1999.

Exports of primary steel products during the first three quarters of 1999 were, however, still 9,7% lower than the exports during the first three quarters of 1998, mainly due to the slump in exports experienced during the first quarter of 1999.

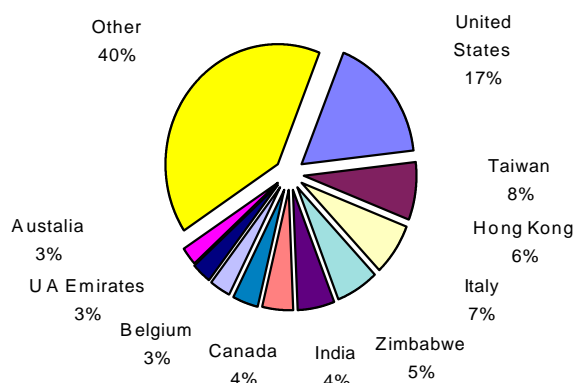
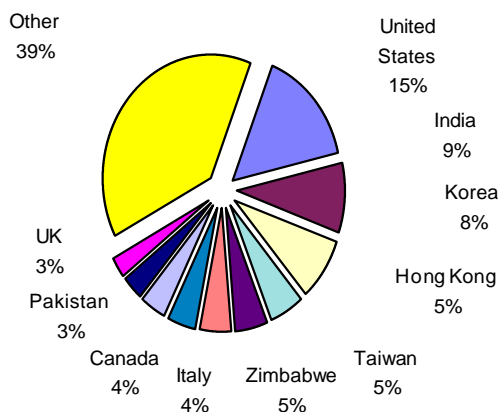
Exports of primary carbon steel products reported by the primary steel producers - Jan. 1998 to October 1999 ('000 tons)

MONTH	1998			1999		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	76.2	110.7	186.9	77.9	80.5	158.4
FEB	133.8	106.3	240.1	84.7	96.8	181.5
MAR	87.7	115.2	202.9	94.0	105.6	199.6
Q1	297.7	332.2	629.9	256.6	282.9	539.5
APRIL	103.4	137.5	240.9	97.4	107.8	205.2
MAY	102.5	156.4	258.9	112.0	123.0	235.0
JUNE	137.0	156.9	294.0	106.7	138.8	245.5
Q2	342.9	450.8	793.8	316.1	369.6	685.7
JULY	104.3	122.0	226.3	105.8	109.0	214.8
AUG	157.9	118.2	276.1	113.0	151.3	264.3
SEP	93.3	117.4	210.7	108.9	116.1	225.0
Q3	355.5	357.6	713.1	327.7	376.4	704.1
OCT	150.5	103.6	254.1	117.8	116.0	233.8
NOV	106.4	79.8	186.2			0.0
DEC	97.0	80.1	177.1			0.0
Q4	353.9	263.5	617.4	117.8	116.0	233.8
TOTAL	1 350.0	1 404.1	2 754.2	1 018.2	1 144.9	2 163.1

South Africa's ten most important steel trading partners in 1998 and 1999 (9 months) Exports ('000 tons)
(All products incl. stainless and finished wire)

Countries	1998	Countries	1999(9 months)
United States	600.9	United States	404.2
Taiwan	285.3	India	228.7
Italy	237.9	Korea	215.1
Hong Kong	212.2	Hong Kong	129.6
Zimbabwe	192.9	Taiwan	127.0
India	149.2	Zimbabwe	123.5
Canada	138.3	Italy	107.9
Belgium	100.1	Canada	99.8
U A Emirates	99.0	Pakistan	82.0
Australia	95.8	UK	71.3
Total 10 countries	2 111.6	Total 10 countries	1589.191
Total exports	3 566.3	Total exports	2 629.0
10 Countries/ total	59.2%	10 Countries/ total	60.4%

Source: Customs and Excise

Exports per country of destination 1998**Exports per country of destination 1999 (9 months)**

ENVIRONMENTAL POLICY AND GUIDELINES FOR THE SOUTH AFRICAN PRIMARY STEEL INDUSTRY

In line with the values shared by industry for the creation of a safe and healthy environment, it is the mission of SAI SI members to ensure that their business is conducted in an environmentally sound and acceptable manner, striving to minimise the potentially adverse impacts while enhancing those with positive potential. Furthermore, SAI SI members support the IISI environmental principles.

SAI SI members are therefore committed to:

- The acceptance of and implementation the BPEO (Best Practical Environmental Option) and/or BAT-NEEC (Best Available Technology Not Entailing Excessive Cost) to ultimately achieve the goals of the members Environmental Policy Statements.
- The process of implementing environmental management systems with the goal of achieving ISO 14001 certification.

In pursuance of the above, SAI SI members undertake to:-

- Recognise and minimise significant environmental impacts of their operations.
- Render their sites acceptable in terms of current legislation.
- Strive towards appropriate international standards for pollution control.
- Continuously monitor performance against these standards.
- Develop procedures for reporting of environmental performance.
- Raise the level of awareness within their own organisations to conserve and protect the environment and to promote individual responsibility for conservation.
- Ensure optimal utilisation of raw materials and energy sources.
- Support research into any adverse effects that its products, processes and services may have on the environment.

HIGHVELD STEEL RECEIVES PRESTIGIOUS ENVIRONMENTAL AWARD

At the National Clean Air Conference held in Cape Town on 7 and 8 October 1999, Highveld Steel and Vanadium Corporation Limited received the Corporate Award from the National Association for Clean Air (NACA) for an outstanding contribution to the cause of clean air in South Africa.

At the National Clean Air Conference it was said that the Corporation received the award for continuous improvement in air pollution control performance and the role played in the improvement of air quality in the Mpumalanga Province through its leadership in the establishment and continued existence in the Air Pollution Liaison & Control Committee Mpumalanga (APOLCOM).

This is not the first time that a member of SAI SI received this prestigious award. This award was won by Iscor Vanderbijlpark in 1993, by Columbus Stainless in 1997 and by Davsteel in 1998.

USA SETS PRELIMINARY ANTI-DUMPING DUTIES ON SA COLD-ROLLED SHEET PRODUCTS

The US Department of Commerce has set preliminary anti-dumping duties of 16,65% on the imports of cold-rolled sheet products from South Africa. Although the new duties are preliminary, it still has to be paid into an escrow account pending a final ruling by the Department of Commerce, which in turn has to be confirmed by the US International Trade Commission scheduled to be delivered by mid-March 2000.

South African steel, though not representing a major part of US steel imports, has repeatedly been a target of US anti-dumping action over the past few years. South Africa is part of a movement to change WTO rules to prevent the use of trade action for purely protectionist purposes. The US says that it will oppose any changes to the WTO rules in this regard during the Seattle round of international trade talks at the end of November/beginning December 1999.