



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

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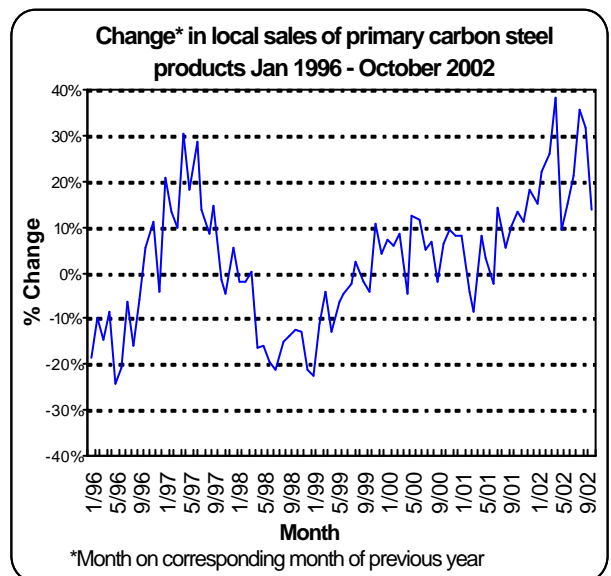
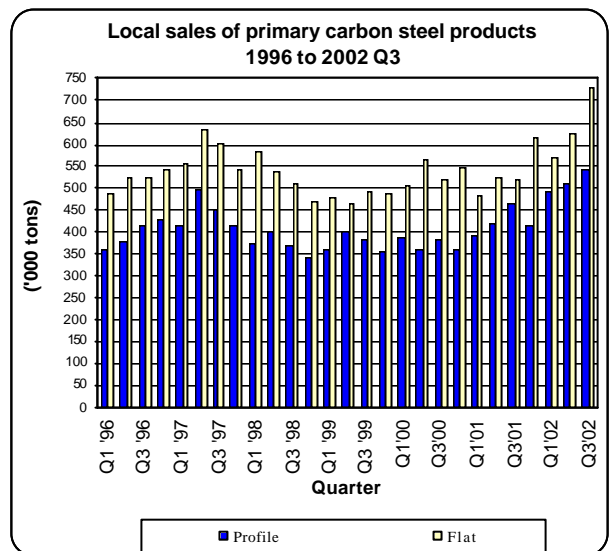
Domestic carbon steel sales growth accelerates during Q3 2002

Total domestic carbon steel sales increased by 23,6% during the first 9 months of 2002 compared with the first 9 months of 2001. Compared with the first 9 months of 2001, sales of carbon steel long products increased by 20,5% while sales of flat products increased by 26,3% during the corresponding period. Domestic sales increased by 12,9% during the third quarter of 2002 compared with the second quarter of 2002. Profile product sales increased by 7,4% while sales of flat products increased by 17,3% during this period.

Clearer signs emerged that the global economy had reached a lower turning point, but so far the recovery has been somewhat tepid and not evenly distributed among the major industrial countries signifying that the recovery would not be as strong as had been anticipated earlier in 2002. Still, global economic activity is expected to gather momentum as the effects of the monetary easing and fiscal incentives permeate through the economies.

Apparently unperturbed by the uncertainties in the global economy the South African economy continued to expand well into 2002, but weaker global economic conditions caught up and the demand for South African exports declined during the third quarter of 2002. The slowdown in growth can be expected to carry over into 2003 and economic growth during 2003 could be on par with year-on-year growth of between 2,5% and 3% estimated for 2002.

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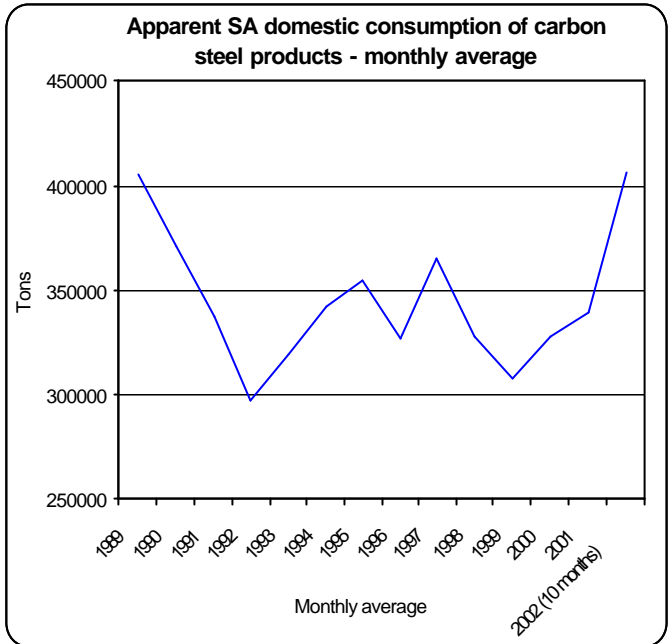
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Steel sales accelerate during Q3 of 2002 (continued from page 1)

Total local sales of primary carbon steel products - 2001 & 2002 (10 months)

MONTH	2001			2002		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	122.0	172.6	294.6	143.6	195.3	338.9
FEB	128.5	156.6	285.1	152.4	195.6	348.0
MAR	143.8	152.1	295.9	193.2	179.4	372.6
Q1	394.3	481.3	875.6	489.2	570.3	1059.5
APRIL	132.2	147.5	279.7	167.5	218.7	386.2
MAY	143.6	195.9	339.5	170.0	201.6	371.6
JUNE	144.6	180.3	324.9	170.6	203.5	374.1
Q2	420.4	523.7	944.1	508.1	623.8	1131.9
JULY	159.7	175.8	335.5	172.8	234.5	407.3
AUG	160.7	162.9	323.6	186.7	252.6	439.3
SEP	145.8	181.9	327.7	186.3	244.8	431.1
Q3	466.2	520.6	986.8	545.8	731.9	1277.7
OCT	154.0	219.1	373.1	161.6	262.5	424.1
NOV	159.7	242.1	401.8			0.0
DEC	102.4	152.4	254.8			0.0
Q4	416.1	613.6	1029.7	161.6	262.5	424.1
TOTAL	1 697.0	2 139.2	3 836.2	1 704.7	2 188.5	3 893.2



Imports of primary carbon steel products continue to decline into 2002

According to statistics released by Customs and Excise, imports of primary carbon steel products (excluding wire and stainless steel, but including rails) declined by 4,6% during the first 9 months of 2002 compared with the first 9 months of 2001. While imports of flat products declined by 18,9%, imports of profile products increased by

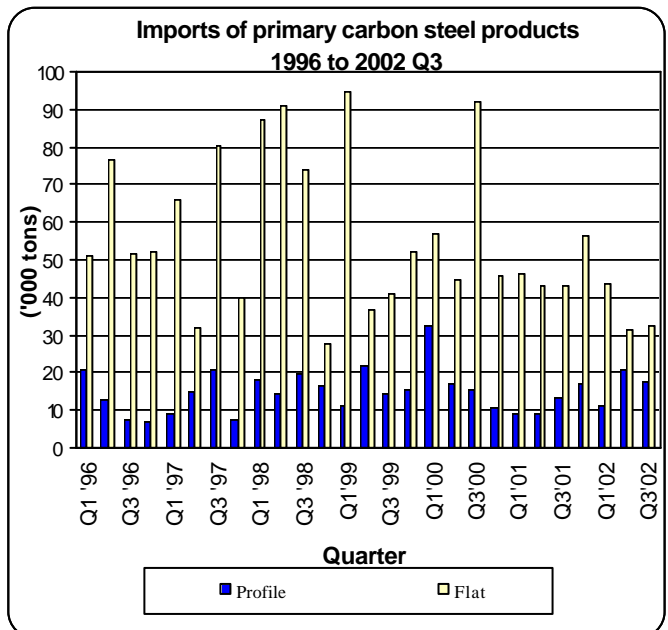
54,2% due to significant consignments of rail and semi-finished product imports during the first 9 months of 2002 compared with the corresponding period of 2001.

Imports of primary carbon steel products as a percentage of total domestic carbon steel demand declined to 4,3% during the first 9 months of 2002 compared with 5,9% during 2001 as a whole. Continued on page 3

Imports of primary carbon steel products - 2001 to Sept 2002 ('000 tons)

MONTH	2001			2002		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	4.9	14.5	19.4	3.1	20.1	23.2
FEB	1.6	20.7	22.3	6.3	12.8	19.1
MAR	2.8	11.0	13.8	1.7	10.8	12.5
Q1	9.3	46.2	55.5	11.1	43.7	54.8
APRIL	3.2	14.1	17.3	1.8	11.4	13.2
MAY	3.8	14.5	18.3	7.0	11.7	18.7
JUNE	2.3	14.5	16.8	11.8	8.1	19.9
Q2	9.3	43.1	52.4	20.6	31.2	51.8
JULY	6.0	13.4	19.4	4.4	9.6	14.0
AUG	5.1	14.0	19.1	9.4	13.4	22.8
SEP	2.4	15.8	18.2	4.0	9.6	13.6
Q3	13.5	43.2	56.7	17.8	32.6	50.4
OCT	3.7	25.1	28.8			0.0
NOV	7.6	13.2	20.8			0.0
DEC	5.8	18.1	23.9			0.0
Q4	17.1	56.4	73.5	0.0	0.0	0.0
TOTAL	49.2	188.9	238.1	49.5	107.5	157.0

Source: Customs & Excise



Imports continue to decline (continued from page 2)

South Africa's ten most important steel trading partners in 2001 and 2002 (9 months)

Imports tons

(All products including stainless steel and finished wire)

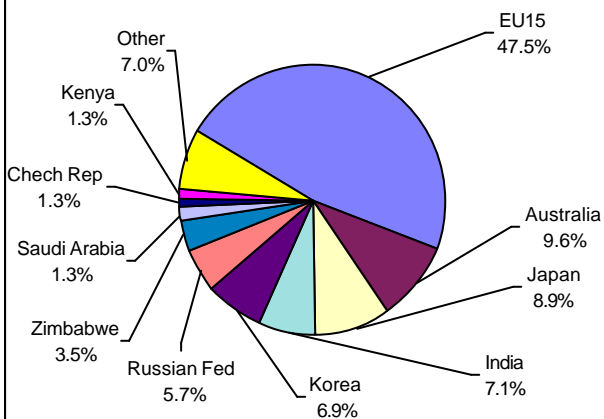
Countries	2001	Countries	2002 (9)
EU15	131722	EU15	92279
Australia	26508	Zimbabwe	17090
Japan	24761	Japan	16717
India	19642	Australia	13884
Korea	19068	Korea	11897
Russian Fed	15690	India	4591
Zimbabwe	9835	Saudi Arabia	3882
Saudi Arabia	3564	Russian Fed	3270
Czech Rep	3519	Taiwan	3270
Kenya	3508	Czech Rep	2071
Total 10 countries	257817	Total 10 countries	168951
Total imports	277220	Total imports	179533
10 Countries/ total	93.0%	10 Countries/ total	94.1%
Other	19403	Other	10582

Source: Customs & Excise

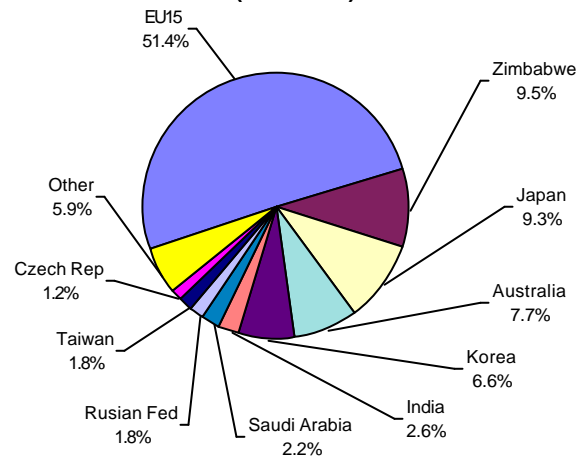
Imports of rails from Austria amounted to 13 300 tons, representing 94,2% of all rail imports during the first 9 months of 2002. Imports from Japan consisted mostly of alloy sheet products (39,6%) and of carbon galvanized sheet (33,3%). Imports of aluzinc sheet products amounted to 5 411 tons, mostly from Korea (47,6%) and Australia (30,4%).

Imports from Australia consisted mostly of painted sheet (70,8%) and represents 83,6% of the total of 11 753 tons of painted sheet imports during the first 9 months of 2002. Imports from Germany amounted to 30 095 tons and consists mostly of electro-galvanized and alloy sheet products. Imports from Korea consisted mostly of cold-rolled coils (35,5%) and of aluzinc sheet products (21,6%). Hot-dipped galvanized sheet imports from India amounted to 2 108 tons representing 18,3% of all imports of hot-dipped galvanized sheet imports.

Imports per country of origin - 2001



Imports per country of origin -2002 (9 months)



Exports of carbon steel products as reported by South African producers increased during Q3 of 2002 over Q2 of 2002

Exports of primary carbon steel products, reported by South African manufacturers, during the third quarter of 2002 increased by 12,4% compared with the second quarter of 2002. During the third quarter of 2002, exports of flat products increased by 6,4% compared with the second quarter of 2002 while exports of profile products showed an increase of 22,1% during the corresponding period. However, exports showed a decrease of 16,6% during the first 9 months of 2002 compared with the first 9 months of 2001.

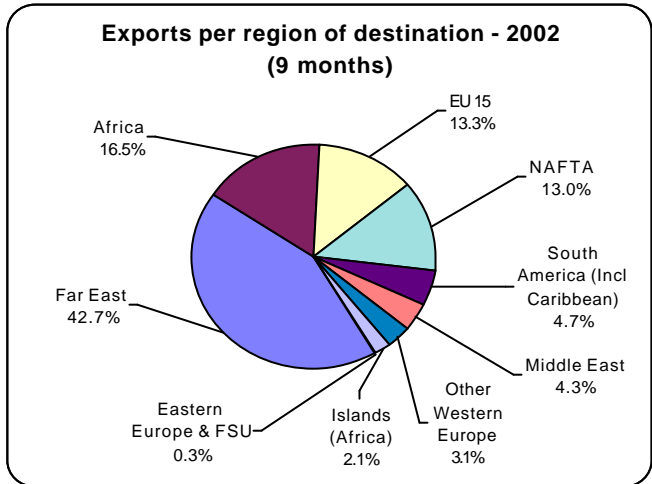
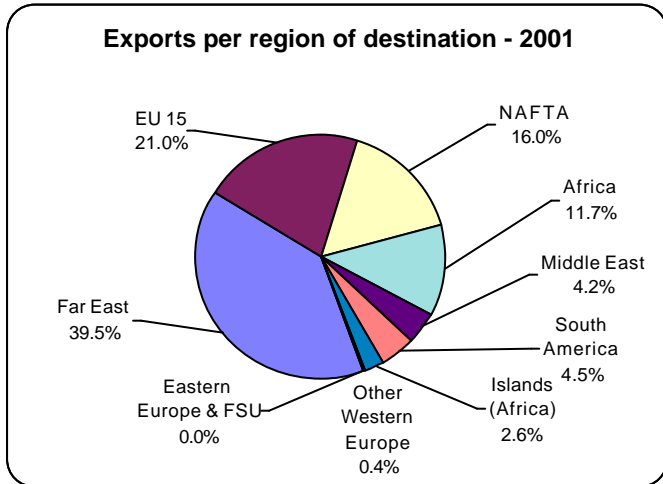
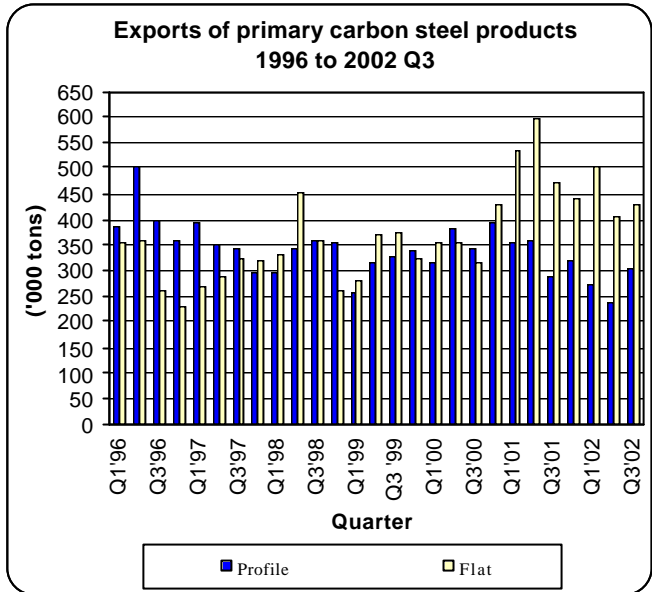
During the first 9 months of 2002, exports of flat steel products amounted to 61,8% of total exports and the exports of profile products to 38,2% of total exports.

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Exports increase (continued from page 3)

Exports of primary carbon steel products reported by the primary steel producers - 2001 & 2002 (10 months) ('000 tons)

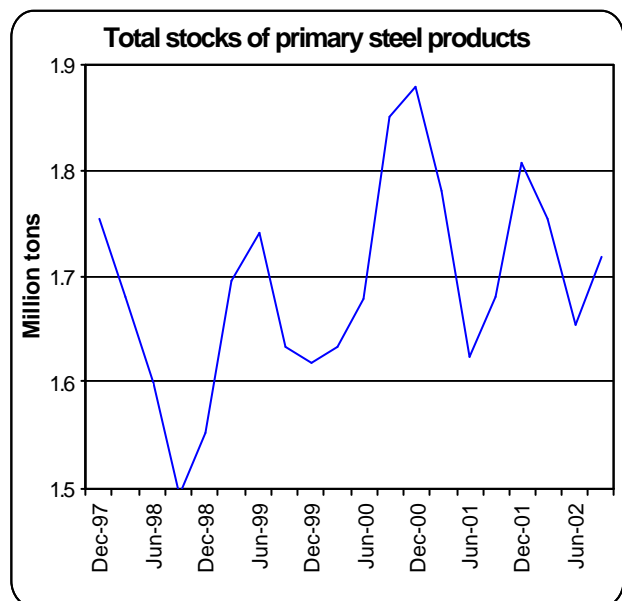
MONTH	2001			2002		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	91.9	166.5	258.4	92.7	157.6	250.3
FEB	119.5	155.6	275.1	98.8	193.2	292.0
MAR	141.8	212.1	353.9	81.6	155.0	236.6
Q1	353.2	534.2	887.4	273.1	505.8	778.9
APRIL	112.2	206.4	318.6	103.6	147.5	251.1
MAY	98.3	182.8	281.1	67.0	133.9	200.9
JUNE	146.3	207.6	353.9	79.1	123.5	202.6
Q2	356.8	596.8	953.6	249.7	404.9	654.6
JULY	106.4	190.3	296.7	111.9	140.7	252.6
AUG	103.9	139.6	243.5	100.9	136.9	237.8
SEP	79.0	140.2	219.2	92.0	153.1	245.1
Q3	289.3	470.1	759.4	304.8	430.7	735.5
OCT	107.8	186.1	293.9	113.2	176.1	289.3
NOV	125.7	110.7	236.4			0.0
DEC	85.4	144.1	229.5			0.0
Q4	318.9	440.9	759.8	113.2	176.1	289.3
TOTAL	1 318.2	2 042.0	3 360.2	940.8	1 517.5	2 458.3



Stocks of primary steel products on hand at end of June 2002 and September 2002

Products (metric tons)	June 2002 r	Sept 2002
1 Iron and non-alloy steel	1 509 474	1 571 928
A Semi-finished products	285 791	259 256
B Total finished products	1 223 683	1 312 672
C Total flat rolled products	828 115	887 045
i Hot-rolled	479 524	539 963
ii Cold-rolled	165 222	160 043
iii Clad, plated or coated	183 369	187 039
D Total profile products	395 568	425 627
i Bars and rods	93 198	112 394
ii Angles and sections	302 370	313 233
2 Stainless steel products	43 269	46 059
3 Other alloy steel	4 441	3 854
4 Other products	97 846	96 485
i Tubes & pipes	54 784	56 721
ii Wire	35 728	31 677
iii Other	7 334	8 087

Source: South African Iron and Steel Institute
r = revised



Carbon steel sales to industrial groups during Q3 of 2002

Sales of primary carbon steel products to industrial groups			
Sales in tonnes			
	2002 Q3		
	Profile	Flat	Total
1 Mining	22376	14370	36746
2 Total Manufacturing	228299	515209	743508
Packaging	0	82783	82783
Structural Metal	2433	312719	315152
Tube & pipe	1000	166511	167511
Plate & sheet metal works	1433	128810	130243
Roofing & cold forming	0	17398	17398
Agricultural	7926	939	8865
Automotive	5131	79747	84878
Electrical apparatus	0	13283	13283
Cables, wire products & gates	170097	2931	173028
Fasteners	13426	235	13661
Other: Hardware, furniture, rail	29286	22572	51858
3 Building & construction	229389	80056	309445
4 Unallocated	67674	121797	189471
5 Total	547738	731432	1279170

Source: South African Iron and Steel Institute

