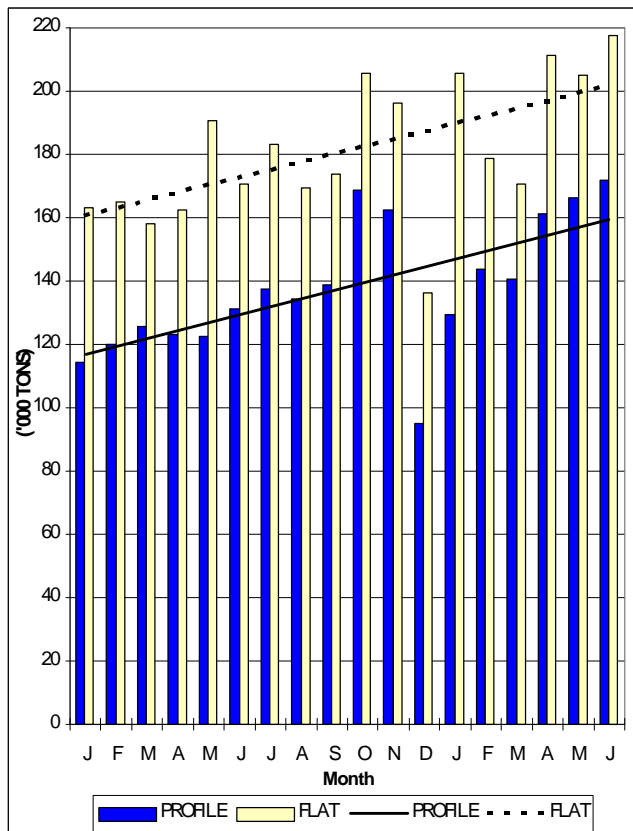




LOCAL SALES - SHOWING INCREASING TREND

Local sales of primary carbon steel products showed a slight increasing trend from January 1996 to June 1997 as depicted

Local sales of primary carbon steel products - January 1996 to June 1997



However, total local sales for calendar year 1996 are still 10% below the 1995 level. Total local sales for the first six months of 1997 are 20,3% higher than during the same period in 1996. {The sales of profile products increased from 737 400 tons to 913 200 tons (+23,8%), while the sales of flat products increased from 1 010 200 tons to 1 189 200 tons (+17,7%).}

The declining sales from 1995 to 1996 could largely be ascribed to the high interest rates and the lack of large building and construction projects, which created tight business conditions in the main steel consuming industries. The increase during the first six months of 1997 compared to the same period in 1996 could partly be ascribed to an increase in residential building activities on RDP projects.

It is expected that local sales of flat and profile products will increase from 1996 to 1997.

This edition of the South African Iron and Steel Institute's Steelnews is the first edition ever of a newsletter for the primary steel industry in South Africa.

The SAISI Secretariat's Strategic Trade Development Division's Information Service will be responsible for the publication and issuing of this newsletter.

It is contemplated that, initially, the Newsletter will be issued on a quarterly basis.

Comments on the content and contributions for future editions are welcomed and should be sent to the Editor for inclusion in future issues.

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Total local sales of primary carbon steel products for calendar years 1995 and 1996 and the first six months of 1997 ('000 tons).

MONTH	1995			1996			1997		
	RCF	HAT	TOTAL	RCF	HAT	TOTAL	RCF	HAT	TOTAL
JAN	1166	2247	3413	1143	1630	2773	1292	2187	3349
FEB	1159	2011	3170	1202	1660	2862	1440	1789	3229
MAR	1385	1940	3325	1257	1579	2836	1409	1709	3118
APRIL	1334	1797	3131	1232	1627	2859	1614	2115	3729
MAY	1767	2363	4130	1227	1909	3136	1661	2049	3710
JUNE	1910	1910	3820	1313	1707	3020	1716	2173	3889
JULY	1265	2157	3422	1373	1880	3253			
AUG	1441	2165	3606	1346	1692	3038			
SEP	1379	1940	3319	1386	1739	3125			
OCT	1462	2096	3558	1689	2187	3876			
NOV	1427	1796	3223	1624	1965	3589			
DEC	778	1630	2408	951	1360	2311			
TOTAL	16473	24052	40525	15743	20745	36488	9132	11892	21024

IMPORTS INCREASED SHARPLY FROM 1995 TO 1996....

According to statistics from Customs and Excise, overall imports of primary carbon steel products increased by 36,9% from 1995 to 1996.

Of the 279 500 tons of primary carbon steel products imported during 1996, flat products contributed 231 600 tons or 82,9%. This is 76 400 tons or 49,2% higher than during 1995.

Imports of primary carbon

steel long products contributed 47 900 tons or 17,1% to total primary carbon steel products imported during 1996. This is 1 000 tons or 2,0% less than during 1995.

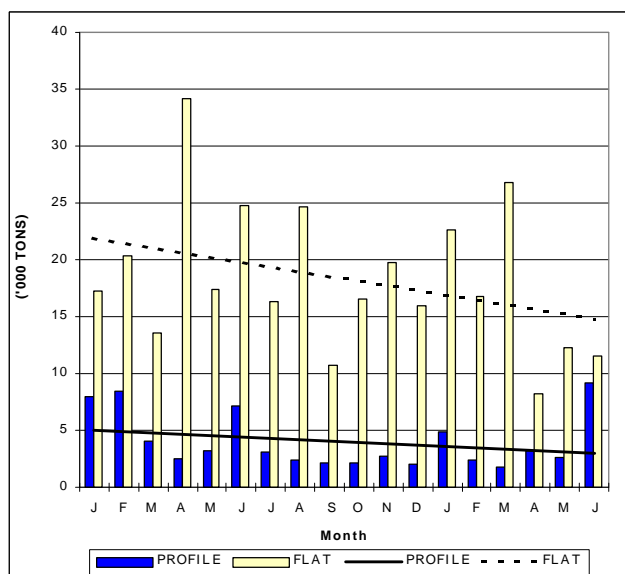
According to the final (audited) import statistics for calendar year 1996 released by Customs and Excise recently, there is a discrepancy of only 0,8% between the final and the pre-

...BUT DECREASED IN THE FIRST SIX MONTHS OF 1997 COMPARED TO THE SAME PERIOD IN 1996

The imports of primary carbon steel products showed a decreasing trend from January 1996 to June 1997 as depicted in the graph below. When the imports during the first six months of 1997 are compared to those during the same period in 1996, a decrease of 24,1% is apparent.

Of the 122 200 tons of primary carbon steel products imported during the first six months of 1997, flat products contributed 98 200 tons or 80,3%. This is 29 500 tons or

Imports of primary carbon steel products - January 1996 to June 1997



Imports of primary carbon steel long products contributed 24 100 tons or 19,7% to total primary carbon steel imports during the first six months of 1997. This is 9 300 tons or 27,8% less than during the same period in 1996.

Imports of primary carbon steel products for calendar years 1995 and 1996 and the first six months of 1997 ('000 tons).

MONTH	1995			1996			1997		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	2.9	22.6	25.5	8.0	17.3	25.3	4.9	22.6	27.5
FEB	1.4	15.8	17.2	8.4	20.4	28.9	2.4	16.8	19.2
MAR	5.1	24.4	29.5	4.1	13.5	17.6	1.7	26.8	28.5
APRIL	7.7	12.9	20.6	2.5	34.2	36.8	3.2	8.2	11.5
MAY	2.3	8.9	11.2	3.2	17.4	20.6	2.6	12.3	14.8
JUNE	3.8	7.6	11.4	7.1	24.8	32.0	9.2	11.6	20.7
JULY	2.1	21.9	24.0	3.1	16.3	19.3			
AUG	5.7	8.6	14.2	2.4	24.6	27.0			
SEP	3.4	6.7	10.1	2.2	10.7	12.9			
OCT	2.4	10.6	12.9	2.1	16.6	18.7			
NOV	2.6	8.7	11.3	2.7	19.8	22.5			
DEC	9.5	6.6	16.1	2.0	16.0	18.0			
TOTAL	48.9	155.2	204.1	47.9	231.6	279.5	24.1	98.2	122.2

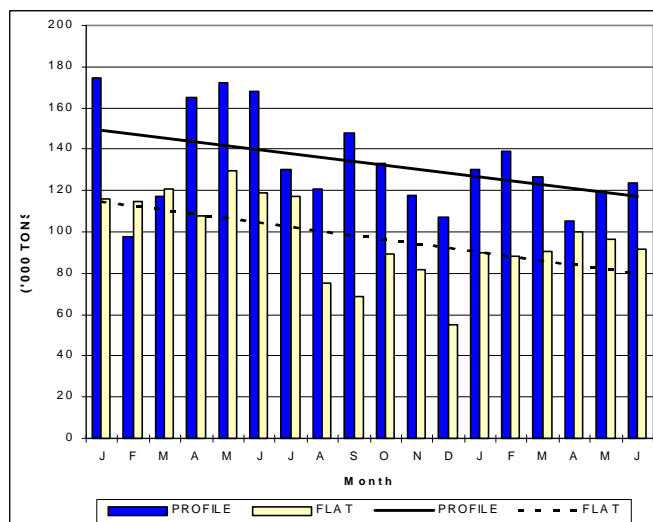
During 1996, South African imports of primary steel originated (in order of magnitude) in the following countries:

Germany, United Kingdom, Japan, France, Brazil, Belgium, Sweden, Zimbabwe, Spain and Italy.

EXPORTS INCREASED FROM 1995 TO 1996 BUT DECREASED IN THE FIRST SIX MONTHS OF 1997 COMPARED TO THE FIRST SIX MONTHS OF 1996

The exports of primary carbon steel products showed a decrease-

Exports of primary carbon steel products - January 1996 to June 1997



Steelnews

ing trend from January 1996 to June 1997 as depicted in the graph on the previous page. The exports of primary carbon steel products reported by the members of the Institute increased by 9,5% from 1995 to 1996.

Of the 2 846 000 tons of primary carbon steel products exported during 1996, flat products contributed 1 194 600 tons or 42,0%, which is 58 000 tons or 5,1% less than during 1995.

Exports of primary carbon steel long products represented 1 651 400 tons or 58,0% of total primary carbon steel products exported during 1996. This is 189 300 tons or 12,9% more than during 1995.

When the exports during the first six months of 1997 are compared with the exports during the same period in 1996, a decrease of 18,8% is detected.

Of the 1 301 700 tons of primary carbon steel products exported during the first six months of 1997, flat products contributed 557 100 tons or 42,8%, which is 150 800 tons or 21,3% less than during the same period in 1996. Exports of primary carbon steel long products contributed 744 500 tons or 57,2% to total primary carbon steel products exported during the first six

During 1996, South Africa exported primary steel products to 112 countries of which the following countries (in order of magnitude) were our most important trading partners:

Taiwan, United States, Korea, Hong-Kong, Thailand, Italy, Pakistan, United Kingdom, Malaysia and Singa-

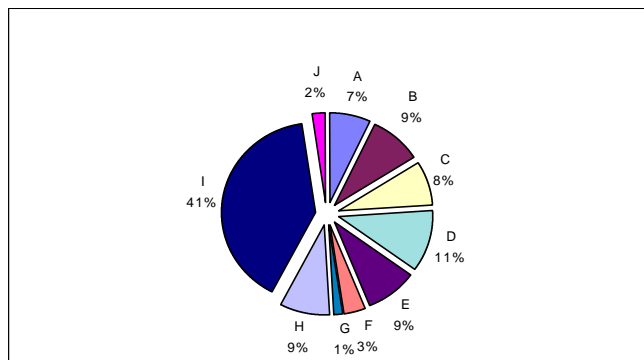
Exports of primary carbon steel products reported by the primary steel producers for calendar years 1995 and 1996 and the first six months of 1997 ('000 tons).

MONTH	1995			1996			1997		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	80.4	110.6	191.0	174.6	115.8	290.4	130.0	90.2	220.2
FEB	138.6	111.4	250.0	97.4	115.0	212.4	139.1	88.3	227.4
MAR	123	78.7	201.7	117.3	120.9	238.2	126.5	90.8	217.3
APRIL	109.8	77.4	187.2	165.2	107.7	272.9	105.2	100.0	205.3
MAY	140.6	98.5	239.1	172.2	129.6	301.8	119.8	96.2	216.0
JUNE	172.5	106.2	278.7	168.0	118.9	286.9	123.8	91.5	215.4
JULY	46.6	58.4	105.0	129.9	117.1	247.0			
AUG	152.3	113.6	265.9	120.7	75.0	195.7			
SEP	140.8	84.9	225.7	147.9	68.4	216.3			
OCT	116.4	90.6	207.0	133.2	89.4	222.6			
NOV	139.9	95.9	235.8	117.8	81.6	199.4			
DEC	101.2	110.4	211.6	107.2	55.2	162.4			
TOTAL	1462.1	1136.6	2598.7	1651.4	1194.6	2846.0	744.5	557.1	1301.6

SALES TO INDUSTRIAL GROUPS - SLIGHT CHANGE FROM 1996

As was the case in 1995, merchants were the biggest local trading partner of the primary steel industry in 1996, buying 40,2% of total local sales (41,8% during the first six months of 1997), followed by the plate and sheet metal works industry (except tinware) with 11,0% (11,2% during the first six months of 1997) as depicted in the tables and graphs to follow.

INDUSTRIAL GROUP-1996		TCNS	%
Basic Industries	A	269 617	7.3
Metal pipes, tubes and fittings	B	321 420	8.7
Tin cans and tinware	C	296 160	8.0
Plate and sheet metal works except tinware	D	407 086	11.0
Cables, wire products & gates	E	333 521	9.0
Other metal products except machinery and transport equipment	F	125 435	3.4
Transport equipment	G	53 383	1.4
Construction	H	324 092	8.8
Merchants	I	1 487 856	40.2
Other	J	78 936	2.1
TOTAL		3 697 506	100.0



INDUSTRIAL GROUP- JANUARY TO JUNE 1997		TCNS	%
Basic Industries	A	181 822	8.6
Metal pipes, tubes and fittings	B	172 922	8.2
Tin cans and tinware	C	140 520	6.6
Plate and sheet metal works except tinware	D	237 199	11.2
Cables, wire products & gates	E	177 170	8.4
Other metal products except machinery and transport equipment	F	69 791	3.3
Transport equipment	G	28 423	1.3
Construction	H	192 699	9.1
Merchants	I	885 949	41.8
Other	J	31 442	1.5
TOTAL		2 117 897	100.0

