

# steelnews

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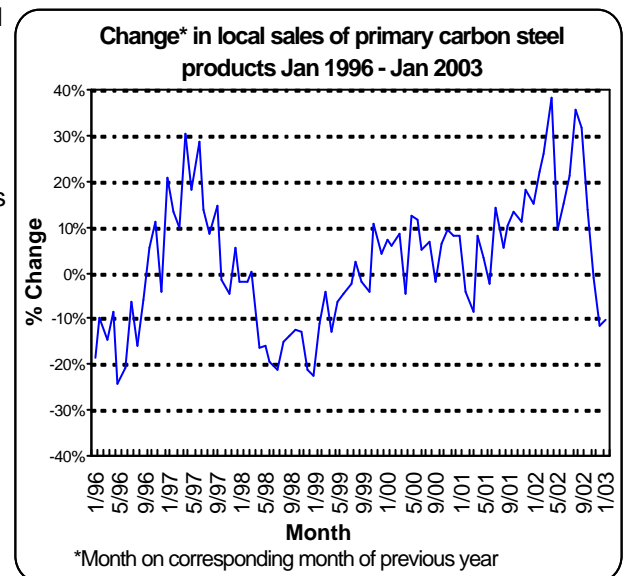
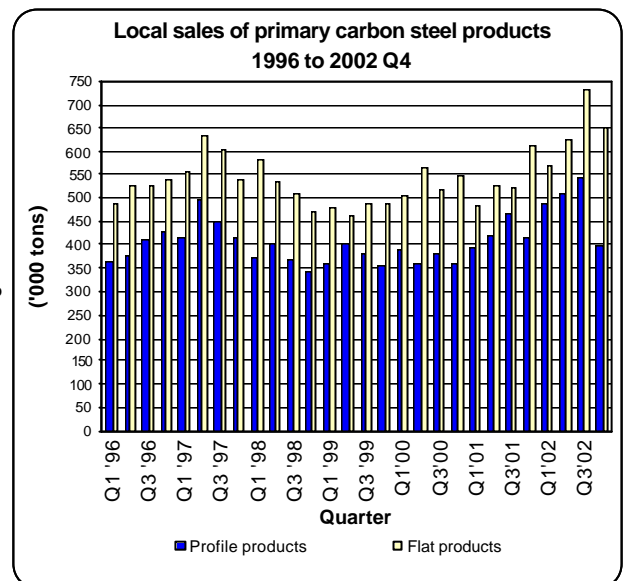
## Domestic carbon steel sales increased by 17,7% during 2002

Total domestic carbon steel sales increased by 17,7% in 2002 compared with 2001. Compared with 2001, sales of carbon steel long products in 2002 increased by 14,3% while sales of flat products increased by 20,4%. Domestic carbon steel sales decreased by 18,0% during the fourth quarter of 2002 compared with the third quarter of 2002. Profile product sales decreased by 27,2% while sales of flat products decreased by 11,2% during this period.

The economic resilience that emerged in the economy during 2002 was the outcome of factors such as the implementation of tax relief, nominal wage increases, lower household debt, higher disposable income, increased export price competitiveness, import substitution, increased tourism and foreign capital flows triggered by the interest rate differential with major financial markets.

The present outlook for the domestic economy during 2003 appears to be relatively encouraging. While some weakness is expected in the first half of 2003 as the economy adjusts to the lagging impact of higher interest rates, activity levels should gather momentum as the effects of a stimulatory fiscal budget, lower inflation and relaxation of monetary policy start to filter through. However, in cognisance of the weakness of the international trading environment and the recovery of the exchange rate, it is vital that South African exports attain new vigour to counteract any trauma of the external dynamic.

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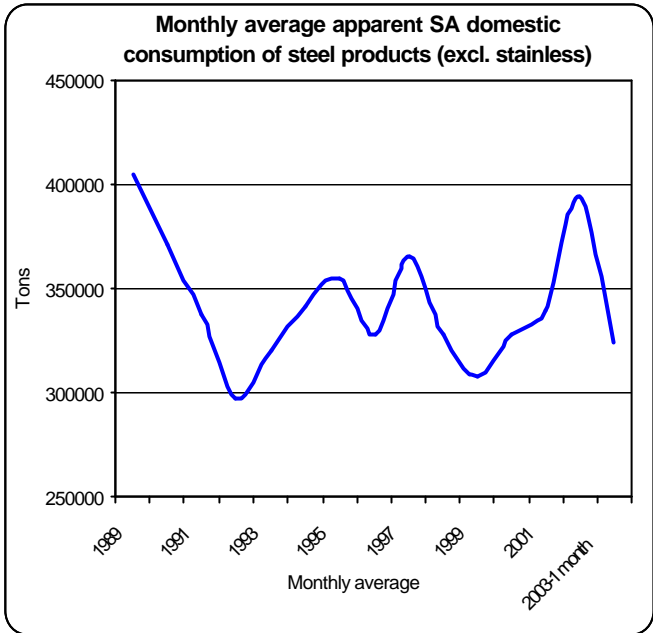
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# Steel sales increased by 17,7% during 2002 (continued from page 1)

## Total local sales of primary carbon steel products - 2002 & 2003 ( 1 month)

MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	143.6	195.3	338.9	128.9	175.3	304.2
FEB	152.4	195.6	348.0			0.0
MAR	193.2	179.4	372.6			0.0
<b>Q1</b>	<b>489.2</b>	<b>570.3</b>	<b>1059.5</b>	<b>128.9</b>	<b>175.3</b>	<b>304.2</b>
APRIL	167.5	218.7	386.2			0.0
MAY	170.0	201.6	371.6			0.0
JUNE	170.6	203.5	374.1			0.0
<b>Q2</b>	<b>508.1</b>	<b>623.8</b>	<b>1131.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
JULY	172.8	234.5	407.3			0.0
AUG	186.7	252.6	439.3			0.0
SEP	186.3	244.8	431.1			0.0
<b>Q3</b>	<b>545.8</b>	<b>731.9</b>	<b>1277.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
OCT	161.6	262.5	424.1			0.0
NOV	153.1	244.5	397.6			0.0
DEC	82.5	143.1	225.6			0.0
<b>Q4</b>	<b>397.2</b>	<b>650.1</b>	<b>1047.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>1 940.3</b>	<b>2 576.1</b>	<b>4 516.4</b>	<b>128.9</b>	<b>175.3</b>	<b>304.2</b>



# Imports of primary carbon and alloy steel products declined by 10,9% during 2002

According to statistics released by Customs and Excise, imports of primary carbon and alloy steel products (excluding wire and stainless steel, but including rails) declined by 10,9% during 2002 compared with 2001. While imports of flat products declined by 23,2% during 2002, imports of profile products increased by 36,6% during 2002 mainly due to imports of significant consignments of rails

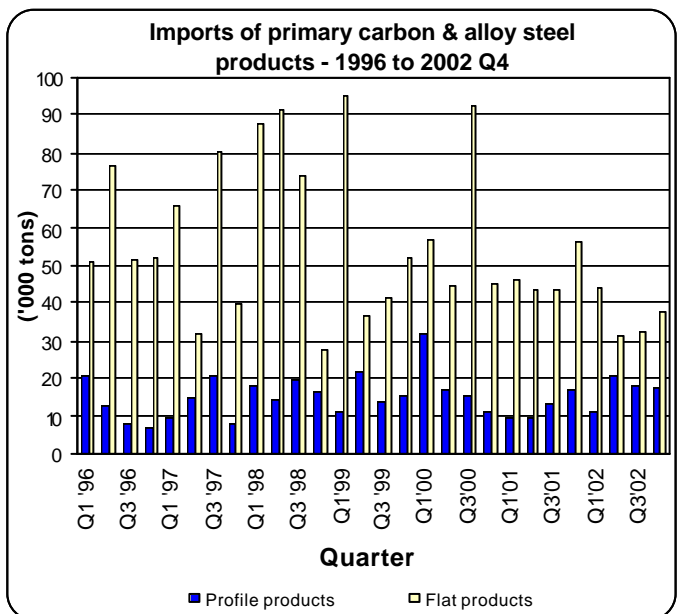
possibly by Transnet, and imports by Iscor Newcastle of billets during the period of a cold blast furnace episode.

Imports of primary carbon and alloy steel products as a percentage of total domestic carbon steel demand declined to 4,6% during 2002 compared with 5,9% during 2001 as a whole. Continued on page 3

## Imports of primary carbon and alloy steel products - 2001 to December 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
<b>Q1</b>	<b>9.3</b>	<b>46.2</b>	<b>55.5</b>	<b>11.1</b>	<b>43.7</b>	<b>54.8</b>
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
<b>Q2</b>	<b>9.3</b>	<b>43.1</b>	<b>52.4</b>	<b>20.6</b>	<b>31.2</b>	<b>51.8</b>
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
<b>Q3</b>	<b>13.5</b>	<b>43.2</b>	<b>56.7</b>	<b>17.8</b>	<b>32.6</b>	<b>50.4</b>
OCT	3.7	25.1	28.8	7.1	13.5	20.5
NOV	7.6	13.2	20.8	5.2	13.2	18.4
DEC	5.8	18.1	23.9	5.4	10.9	16.3
<b>Q4</b>	<b>17.1</b>	<b>56.4</b>	<b>73.5</b>	<b>17.7</b>	<b>37.5</b>	<b>55.2</b>
<b>TOTAL</b>	<b>49.2</b>	<b>188.9</b>	<b>238.1</b>	<b>67.2</b>	<b>145.0</b>	<b>212.2</b>

Source: Customs & Excise



## Imports declined by 10,9% during 2002 (continued from page 2)

### South Africa's ten most important steel trading partners in 2001 and 2002

#### Imports tons

(All products including stainless steel and finished wire)

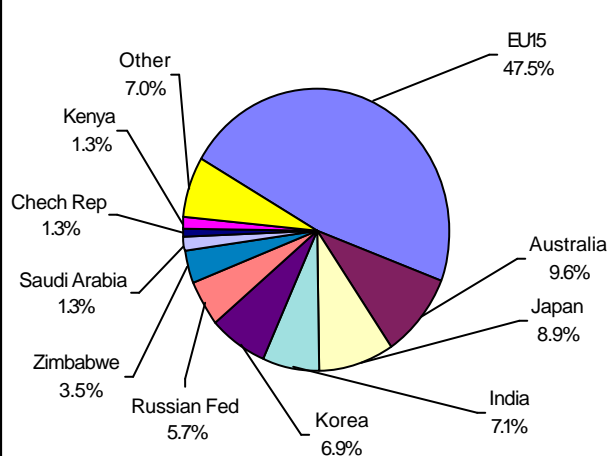
Countries	2001	Countries	2002
EU15	131 722	EU15	127 339
Australia	26 508	Japan	23 929
Japan	24 761	Australia	19 875
India	19 642	Zimbabwe	17 607
Korea	19 068	Korea	15 675
Russian Fed	15 690	India	8 490
Zimbabwe	9 835	Taiwan	4 071
Saudi Arabia	3 564	Saudi Arabia	3 882
Czech Rep	3 519	Russian Fed	3 521
Kenya	3 508	Czech Rep	2 996
Total 10 countries	257 817	Total 10 countries	227 384
<b>Total imports</b>	<b>277 220</b>	<b>Total imports</b>	<b>241 581</b>
10 Countries/ total	93.0%	10 Countries/ total	94.1%
Other	19 403	Other	14 197

Source: Customs & Excise

Imports of rails from Austria amounted to 24 269 tons, representing 93,4% of all rail imports during 2002. Imports from Japan consisted mostly of alloy sheet products (36,3%) and of carbon galvanized sheet (31,9%). Imports from Zimbabwe consisted mostly (86,6%) of billets. Imports of TFS, aluzinc and other coated sheet products amounted to 20 332 tons, mostly from Korea (25,5%), Australia (23,3%) and Germany (25,6%). Imports from Australia consisted mostly of painted sheet (69,2%) and represents 86,4% of the total of 15 910 tons of painted sheet imports during 2002.

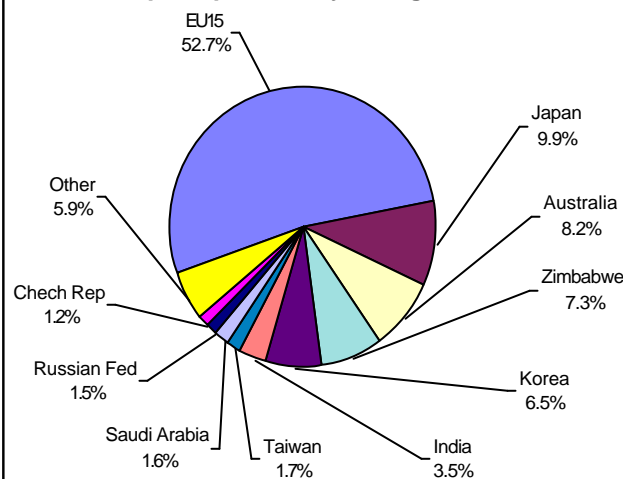
Imports of carbon steel cold-rolled flat products from Russia declined during 2001 and ceased altogether during 2002 subsequent to the imposition of preliminary anti-dumping duties of 15,7% (Severstal) and 77,1% (all other) in April 2002 followed by final duties of 27,4% (Severstal) and 76,1% (all other) in February 2003. Imports from Russia consisted only of alloy steel products during 2002.

Imports per country of origin - 2001



Source: Customs & Excise

Imports per country of origin - 2002



Source: Customs & Excise

## Exports of carbon steel products as reported by South African producers decreased by 11,9% during 2002

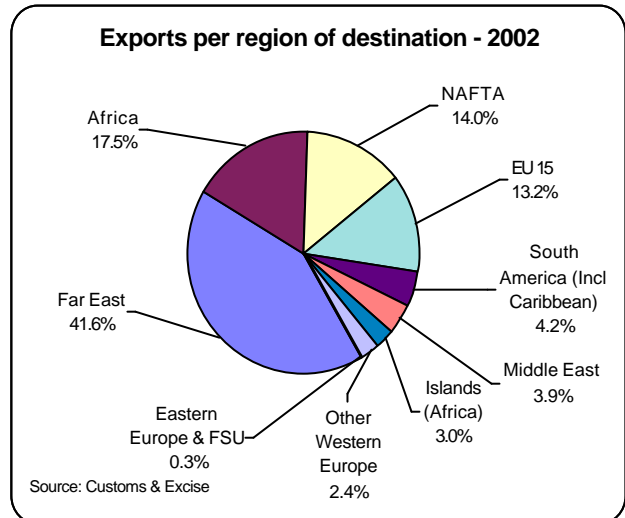
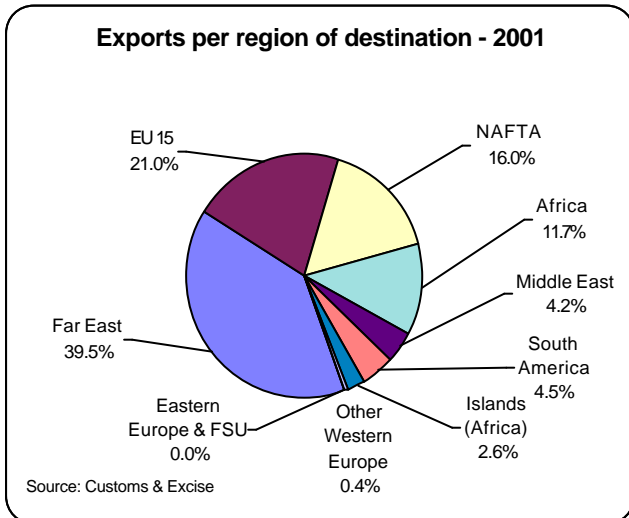
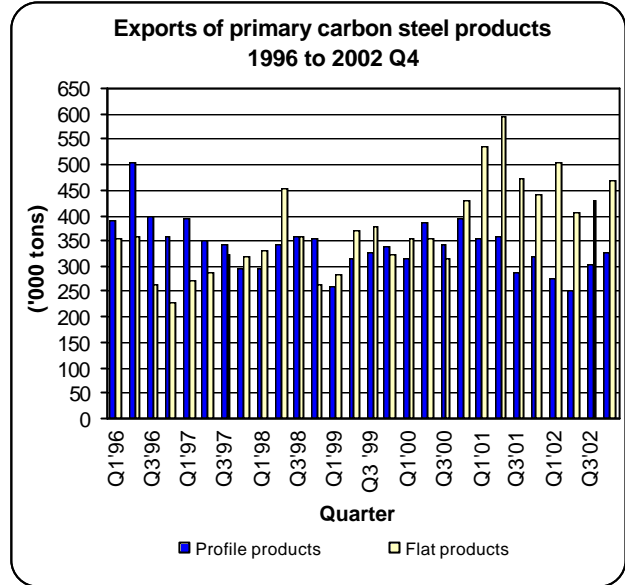
Exports of primary carbon steel products, reported by South African primary steel manufacturers, decreased by 11,9% during 2002 compared with 2001. However, during the fourth quarter of 2002, exports increased by 7,7% compared with the third quarter of 2002. During the fourth quarter of 2002 flat product exports increased by 8,3% compared with the third quarter of 2002 while exports of profile products showed an increase of 6,8% during the corresponding period.

During 2002, exports of flat steel products amounted to 61,1% of total exports and the exports of profile products to 38,9% of total exports.  
(continue on page 4)

# Exports down by 11,9% during 2002 (continued from page 3)

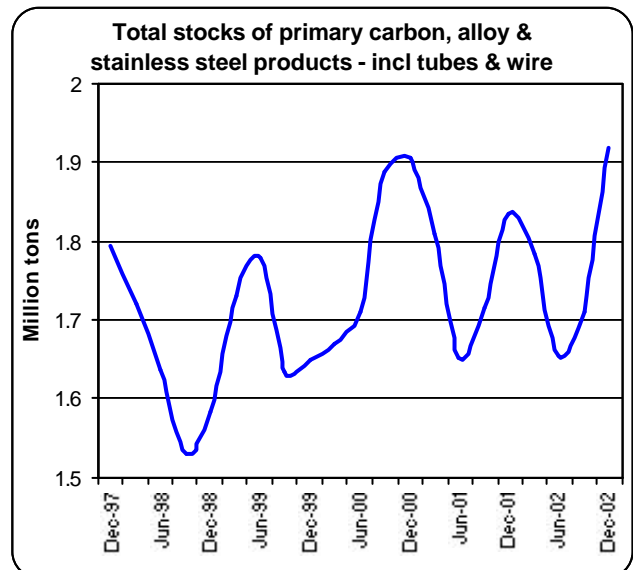
Exports of primary carbon steel products reported by the primary steel producers- 2002 & 2003 (1 month) ('000 tons)

MONTH	2002			2003		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	92.7	157.6	250.3	114.0	209.0	323.0
FEB	98.8	193.2	292.0			0.0
MAR	81.6	155.0	236.6			0.0
Q1	273.1	505.8	778.9	114.0	209.0	323.0
APRIL	103.8	147.5	251.3			0.0
MAY	67.0	133.9	200.9			0.0
JUNE	79.1	123.5	202.6			0.0
Q2	249.9	404.9	654.8	0.0	0.0	0.0
JULY	111.9	140.7	252.6			0.0
AUG	100.9	136.9	237.8			0.0
SEP	92.0	153.1	245.1			0.0
Q3	304.8	430.7	735.5	0.0	0.0	0.0
OCT	113.2	176.1	289.3			0.0
NOV	84.8	121.6	206.4			0.0
DEC	127.5	168.8	296.3			0.0
Q4	325.5	466.5	792.0	0.0	0.0	0.0
TOTAL	1 153.3	1 807.9	2 961.2	114.0	209.0	323.0



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

Products (metric tons)	Sept 2002 r	Dec 2002
1 Iron and non-alloy steel	1 570 754	1 746 370
A Semi-finished products	259 256	334 525
B Total finished products	1 311 498	1 411 845
C Total flat rolled products	886 932	954 978
i Hot-rolled	539 866	569 212
ii Cold-rolled	160 043	176 600
iii Clad, plated or coated	187 023	209 166
D Total profile products	424 566	456 867
i Bars and rods	111 407	130 332
ii Angles and sections	313 159	326 535
2 Stainless steel products	42 161	64 564
3 Other alloy steel	2 727	2 834
4 Other products	94 684	104 737
i Tubes & pipes	56 710	66 518
ii Wire	29 887	30 167
iii Other	8 087	8 052

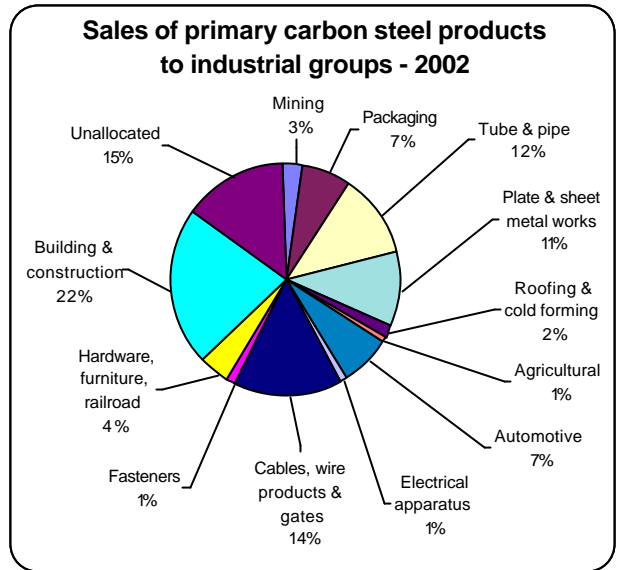


Source: South African Iron and Steel Institute  
r = revised

## Carbon steel sales to industrial groups during 2002

Sales of primary carbon steel products to industrial groups			
Sales in tonnes			
	2002		
	Profile	Flat	Total
1 Mining	74 976	50 019	124 995
2 Total Manufacturing	894 558	1 790 195	2 684 753
Packaging	12	313 003	313 015
Structural Metal	23 277	1 045 797	1 069 074
Tube & pipe	3 901	518 687	522 588
Plate & sheet metal works	4 583	470 427	475 010
Roofing & cold forming	14 793	56 683	71 476
Agricultural	26 242	3 173	29 415
Automotive	27 953	280 092	308 045
Electrical apparatus		56 218	56 218
Cables, wire products & gates	659 048	13 129	672 177
Fasteners	51 262	827	52 089
Other: Hardware, furniture, rail	106 764	77 956	184 720
3 Building & construction	742 908	290 972	1 033 880
4 Unallocated	235 126	441 691	676 817
5 Total	1 947 568	2 572 877	4 520 445

Source: South African Iron and Steel Institute



## South African Iron and Steel Institute launches enhanced steel portal website - <http://www.saisi.co.za>

The launch of the revamped SAISI web site is scheduled for the end of March 2003.

The objective is to give the SAISI web site a new look and feel and to move to a new dynamic web site. A specific objective was to create an information portal where SAISI members and other users of information can download and upload information on a regular basis.

Current users will be requested to re-register on the site to ensure that they can optimally access the information relevant to their specific needs and provide pertinent feedback.

The new web site will allow subscribers to update their information profile online. Subscribers will be prompted by means of a newsletter which information has been updated and is available. Subscribers will be able to download the latest and previous editions of Steelnews electronically from the web site.

The SAISI web site will focus on the primary steel industry but will also actively promote the interest of the secondary, or value adding, industry. It will provide a link to Steel Trade, an initiative co-sponsored by SAISI. Steel Trade is an electronic portal, which is being commissioned to promote the export of value-added steel products. The web site also caters for links to various other steel related sites as well as links to the DTI/TISA web sites to inform users on new incentives available from Government.