



Steelnews is the quarterly statistical newsletter of the South African Iron and Steel Institute



Cape Gate



COLUMBUS
STAINLESS
[Pty] Ltd



Highveld Steel



SAISI
P O Box 6318
PRETORIA
0001
Tel + 27 12 320 2450
Fax+ 27 12 320 2456
Website:
www.saisi.co.za
E-mail:



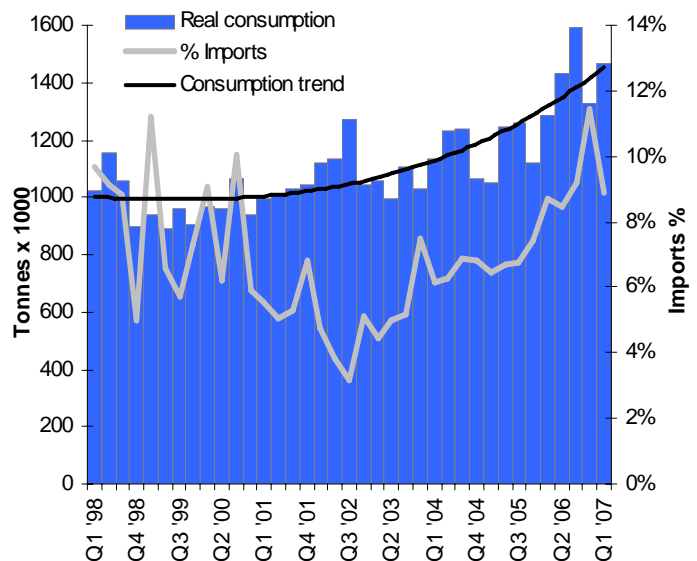
Domestic carbon steel sales increased by 8,6% during the first half of 2007

Domestic carbon steel sales totalled 1,363 million tonnes during quarter 2 of 2007, an increase of 1,8% when compared with the corresponding quarter of 2006.

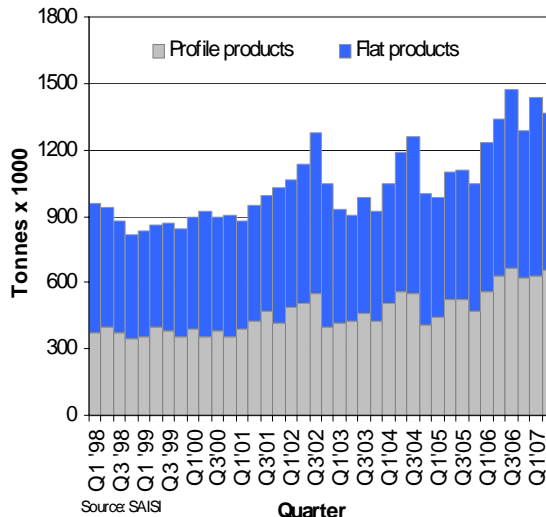
Domestic carbon steel sales totalled 2,795 million tonnes during the first 6 months of 2007, an increase of 8,6% when compared with the first 6 months of 2006. This is the highest first 6 months sales figure since 1981 (2,801 million tonnes). During quarter 2 of 2007 sales of carbon steel flat products decreased by 11,1% while sales of profile products increased by 3% compared with quarter 1 of 2007.

(Continued on page 2)

Real domestic carbon & alloy steel consumption

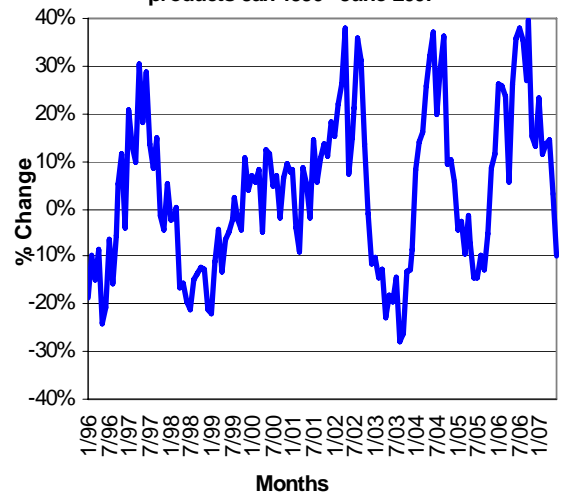


Local sales of primary carbon steel products 1998 to Q2 2007



Source: SAISI

Change* in local sales of primary carbon steel products Jan 1996 - June 2007



*% Change on corresponding month of previous year

Contents	Page
● Domestic carbon steel sales increased by 8,6% during first half of 2007	1
● Imports of carbon and alloy steel products at 8,4% of consumption during Q1 of 2007	2
● Imports per country of origin	3
● Exports of carbon steel products decreased by 32,8% during first half 2007	3
● Carbon steel sales to industrial groups during Q1 of 2007	4
● Stocks of primary steel products on hand at the end of March 2007	5

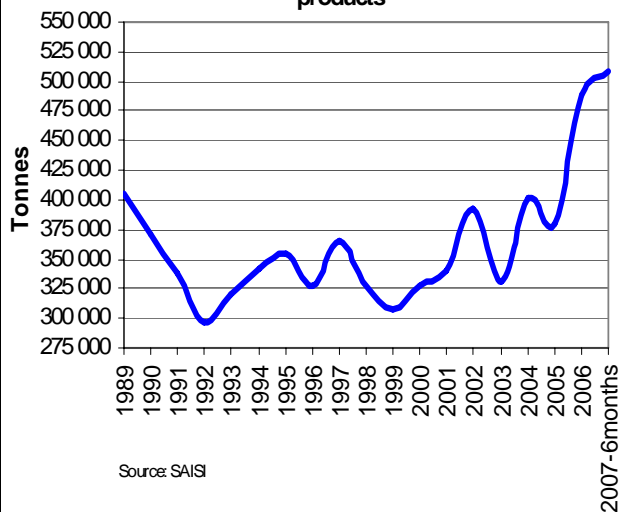
Steel sales increased by 8,6% during first half 2007 (Cont. from page 1)

Total local sales of primary carbon steel products - 2005 to June 2007 ('000 tonnes)

MONTH	2005			2006			2007		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	133.8	181.4	315.1	166.5	230.7	397.2	208.9	281.3	490.3
FEB	159.5	172.2	331.7	193.1	223.7	416.8	207.9	256.6	464.5
MAR	153.3	187.5	340.7	199.7	221.4	421.2	216.0	262.1	478.0
Q1	446.5	541.0	987.5	559.3	675.8	1 235.1	632.8	800.0	1 432.8
APRIL	174.6	194.7	369.3	194.1	195.8	389.9	209.4	237.0	446.4
MAY	173.1	199.4	372.4	218.6	250.6	469.3	228.8	255.6	484.4
JUNE	173.4	180.4	353.9	217.4	262.5	479.9	213.5	218.3	431.8
Q2	521.1	574.5	1 095.6	630.1	708.9	1 339.0	651.8	710.9	1 362.6
JULY	165.3	192.0	357.3	232.2	260.1	492.3			
AUG	173.3	197.8	371.1	222.1	279.7	501.8			
SEP	182.0	195.0	377.0	212.7	266.8	479.5			
Q3	520.5	584.9	1 105.4	666.9	806.6	1 473.5			
OCT	176.4	205.8	382.2	247.8	285.8	533.7			
NOV	186.9	228.8	415.7	227.6	251.6	479.2			
DEC	106.9	137.4	244.3	143.9	132.8	276.7			
Q4	470.2	572.0	1 042.3	619.4	670.2	1 289.6			
TOTAL	1 958.4	2 272.4	4 230.8	2 475.7	2 861.6	5 337.3	1 284.5	1 510.9	2 795.4

Source: SAI

Monthly average apparent SA domestic consumption of primary carbon and alloy steel products



Imports of finished carbon and alloy steel products totalled 8,4% of apparent domestic steel consumption during Q1 2007

Imports of finished carbon and alloy steel products totalled 130 658 tonnes (206 396 tonnes including semis) during Q1 of 2007. This was 8,4% of the total apparent domestic carbon & alloy steel consumption, a slight increase from 8,3% in Q1 2006. According to statistics released by Customs and Excise, imports of primary carbon and alloy steel products (excluding semis, wire and stainless steel, but including rails)

increased by 17,1% during Q1 of 2007 compared with the corresponding period of 2006. Imports during the first quarter of 2007 decreased by 13,9% compared with imports during the fourth quarter of 2006.

Imports of drawn wire (all grades) amounted to 10 700 tonnes, semis to 75 738 tonnes (excl. stainless) and primary stainless steel products (excluding stainless drawn wire) to 10 466 tonnes during Q1 of 2007.

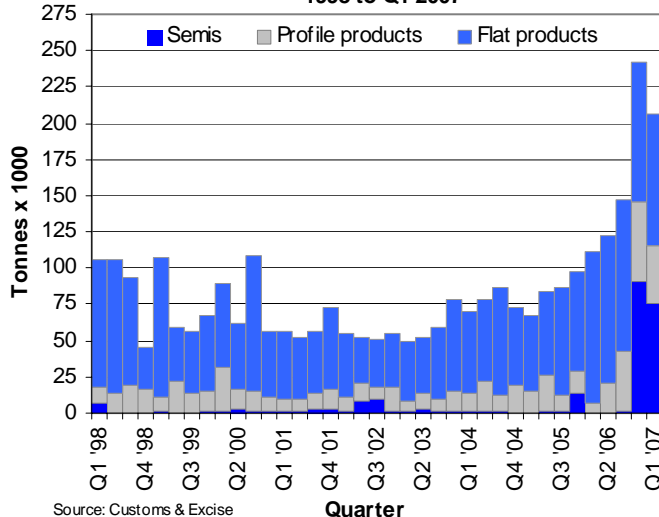
(Continued on page 3)

Imports of primary carbon and alloy steel products - 2006 to April 2007 ('000 tonnes) - Excl Stainless steel & wire

MONTH	2006				2007			
	Semis	Profile	Flat	Total	Semis	Profile	Flat	Total
JAN	0.1	2.0	44.0	46.1	54.3	24.0	26.4	104.7
FEB	0.2	2.5	29.0	31.7	0.5	10.4	27.2	38.2
MAR	0.2	2.5	31.6	34.2	20.9	5.5	37.1	63.5
Q1	0.4	6.9	104.6	112.0	75.7	39.9	90.8	206.4
APRIL	0.4	2.2	45.4	48.0	0.2	8.9	33.3	42.4
MAY	0.1	9.1	34.1	43.2				
JUNE	0.1	8.3	22.9	31.2				
Q2	0.6	19.6	102.3	122.5	0.2	8.9	33.3	42.4
JULY	0.4	17.8	39.7	57.9				
AUG	0.5	17.7	38.9	57.0				
SEP	0.1	7.0	25.5	32.5				
Q3	0.9	42.4	104.1	147.4	0.0	0.0	0.0	0.0
OCT	0.2	21.4	52.4	73.9				
NOV	45.6	23.1	25.8	94.5				
DEC	44.7	10.9	18.2	73.8				
Q4	90.5	55.4	96.3	242.2	0.0	0.0	0.0	0.0
TOTAL	92.4	124.3	407.3	624.1	75.9	48.8	124.1	248.8

Source: Customs and Excise

Imports of primary carbon & alloy steel products 1998 to Q1 2007



Imports per country of origin

(Continued from page 2)

IMPORTS - South Africa's ten most important steel trading partners in 2006 and Q1 of 2007
 (All products including semis, stainless steel and finished wire—HS codes 7206 to 7302 & 7313 - tonnes)

Imports per country of origin Ten biggest countries of origin - tonnes

Countries	2006	Countries	Q1 2007
EU27	190 765	Brazil	78 013
India	189 854	EU27	58 583
China	98 801	India	30 340
Brazil	53 180	China	27 275
Japan	26 789	Korea	12 711
Korea	26 067	Japan	6 962
Azerbaijan	24 425	Hong-Kong	2 510
Kazakhstan	21 459	Malaysia	2 435
Turkey	16 364	Taiwan	2 376
Russian Fed	12 540	Russian Fed	1 293
Total 10 countries	660 245	Total 10 countries	222 499
Total imports	714 292	Total imports	227 562
10 Countries/ total	92.4%	10 Countries/ total	97.8%
Other	54 047	Other	5 063

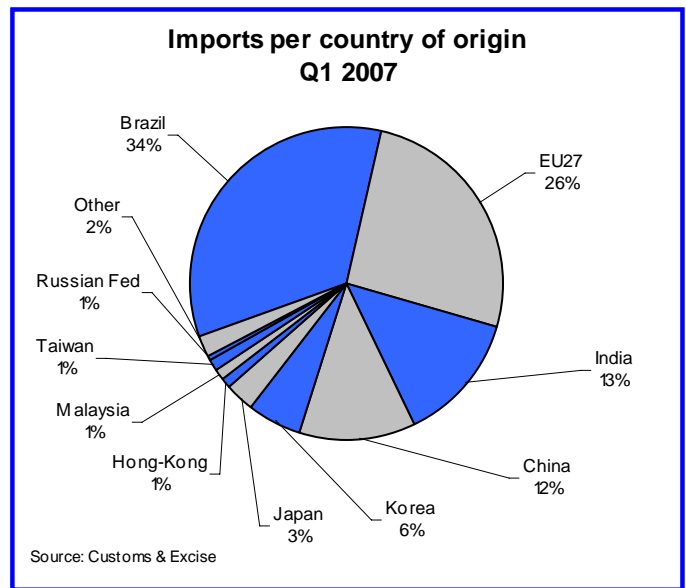
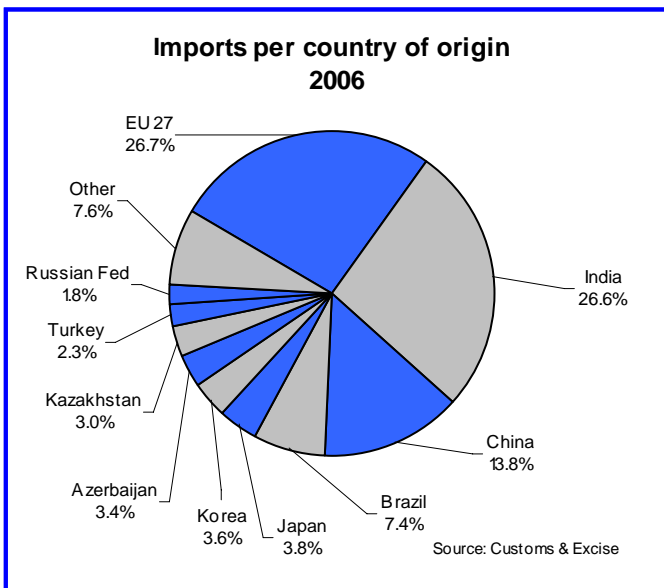
Source: Customs & Excise

During the first quarter of 2007 imports from Brazil consisted mostly (85%) of semis. Imports of hot-rolled plate, sheet & coil from the EU27 amounted to 16 917 tones or 29% of all imports from the EU27 during Q1 of 2007. About 9 500 tonnes of rails were imported from the EU27 during Q1 2007.

Imports from India consisted mostly (43%) of carbon steel hot-dipped galvanised coil & sheet, representing 55% of the 23 724 tonnes of carbon steel hot-dipped galvanised coil & sheet imported into South Africa during this period.

Imports from China consisted mostly (47%) of sections and bars. Cold-rolled sheet of 4 056 tonnes were imported from China during Q1 of 2007.

Imports from Korea consisted mostly (63%) of sections and bars during Q1 of 2007.



Exports of carbon steel products as reported by South African producers decreased by 32,8% during first half of 2007

Exports of primary carbon steel products, reported by South African primary steel manufacturers, totalled 0.949 million tonnes during the first half of 2007, a decrease of 32,8% over the corresponding period in 2006. During the second quarter of 2007, carbon steel exports increased by 0,2% compared with the first quarter of 2007. During the second quarter of 2007 profile product exports increased by 14,8% compared with the first quarter of 2007 while exports of flat products recorded a decrease of 6,1% during the same period.

During the first half of 2007, exports of flat carbon steel products amounted to 67,7% of total exports and exports of profile carbon steel products to 32,3% of total exports.
 (Continued on page 4)

Exports decreased by 32,8% during first half 2007

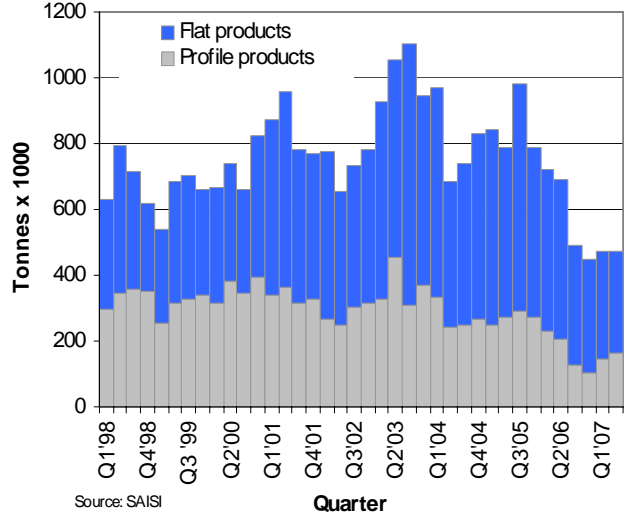
(Cont. from page 3)

Exports of primary carbon steel products reported by the primary steel producers - 2005 to June 2007 ('000 tonnes)

MONTH	2005			2006			2007		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	83.9	107.0	190.9	74.1	180.7	254.8	22.3	114.1	136.4
FEB	78.2	221.1	299.3	96.5	182.7	279.2	59.7	93.8	153.5
MAR	89.0	263.1	352.0	56.7	128.7	185.3	60.8	123.2	184.0
Q1	251.1	591.1	842.2	227.3	492.0	719.3	142.8	331.1	473.9
APRIL	135.1	167.3	302.4	62.5	181.2	243.7	53.7	91.9	145.6
MAY	82.9	181.8	264.7	77.3	162.8	240.0	65.8	117.5	183.3
JUNE	55.0	163.6	218.6	67.1	141.0	208.1	44.5	101.6	146.1
Q2	273.1	512.7	785.7	206.9	484.9	691.8	163.9	311.0	474.9
JULY	90.8	215.1	306.0	48.2	163.1	211.2			
AUG	97.6	244.9	342.6	35.2	83.6	118.8			
SEP	101.1	231.1	332.2	44.4	115.7	160.1			
Q3	289.5	691.2	980.7	127.8	362.3	490.1			
OCT	99.2	163.0	262.2	44.4	152.2	196.6			
NOV	85.6	176.0	261.6	36.7	101.6	138.3			
DEC	85.0	180.1	265.1	22.0	92.9	114.9			
Q4	269.8	519.2	788.9	103.1	346.6	449.8			
TOTAL	1 083.4	2 314.2	3 397.6	665.1	1 685.9	2 351.0	306.7	642.1	948.8

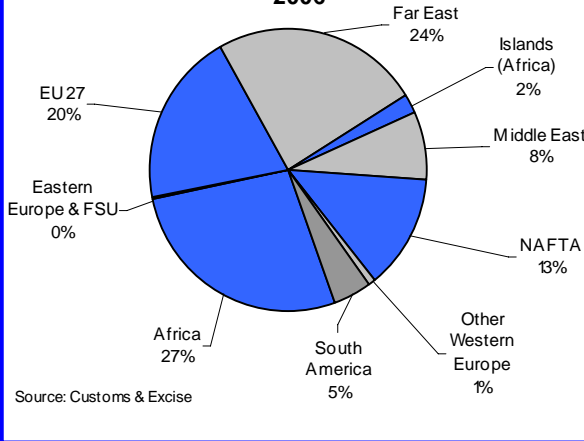
Source: SAISI

Exports of primary carbon steel products 1998 to Q2 2007



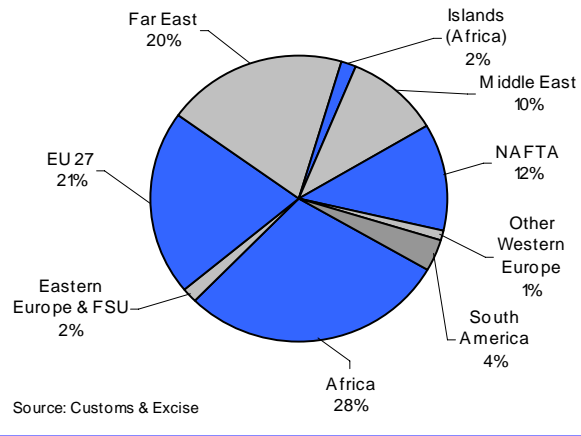
Source: SAISI

Exports per region of destination 2006



Source: Customs & Excise

Exports per region of destination Q1 2007



Source: Customs & Excise

Carbon steel sales to industrial groups during Q1 of 2007

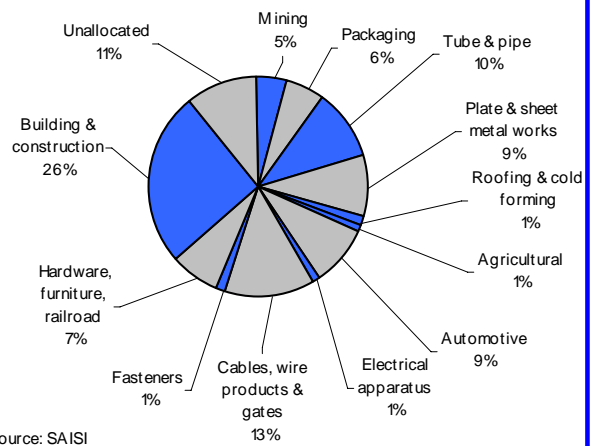
(continued on page 5)

Sales of primary carbon steel products to industrial groups

Metric tons	Q1 2007		
	Profile	Flat	Total
1 Mining	28 767	37 673	66 440
2 Total Manufacturing	261 276	578 122	839 398
Packaging	213	82 670	82 883
Structural Metal	3 704	287 745	291 449
Tube & pipe	1 333	147 570	148 903
Plate & sheet metal works	2 371	125 190	127 561
Roofing & cold forming	0	14 985	14 985
Agricultural	16 139	344	16 483
Automotive	9 989	112 483	122 472
Electrical apparatus	106	18 318	18 424
Cables, wire products & gates	177 839	4 560	182 399
Fasteners	19 033	32	19 065
Other: Hardware, furniture, rail	34 253	71 970	106 223
3 Building & construction	270 469	101 732	372 201
4 Unallocated	73 793	82 510	156 303
5 Total	634 305	800 037	1 434 342

Source: SAISI

Sales of primary carbon steel products to industrial groups - Q1 2007



Source: SAISI

(Continued on page 5)

Carbon steel sales to industrial groups

(Continued from page 4)

Sales of primary carbon steel products to industrial groups										
Metric tons	2003	2004	2004/2003	2005	2005/2004	2006	2006/2005	Q1 2006	Q1 2007	Q107/Q106
Mining	110 608	146 396	32.4%	164 132	12.1%	211121	28.6%	45939	66440	44.6%
Manufacturing	2 216 074	2 534 169	14.4%	2 327 706	-8.1%	2889090	24.1%	667715	839398	25.7%
Packaging	281 882	260 673	-7.5%	256 443	-1.6%	264036	3.0%	66754	82883	24.2%
Structural Metal	782 313	986 215	26.1%	895 524	-9.2%	1117162	24.7%	264212	291449	10.3%
Tube & Pipe	396 851	528 826	33.3%	438 502	-17.1%	606919	38.4%	147060	148903	1.3%
Plate & Sheet metal works	355 889	434 851	22.2%	420 407	-3.3%	456370	8.6%	104764	127561	21.8%
Roofing & Cold forming	29 572	22 538	-23.8%	36 616	62.5%	53873	47.1%	12388	14985	21.0%
Agricultural	41 301	38 555	-6.6%	33 048	-14.3%	44061	33.3%	9207	16483	79.0%
Automotive	237 264	314 152	32.4%	290 375	-7.6%	362006	24.7%	84576	122472	44.8%
Electrical apparatus/white goods	54 535	49 481	-9.3%	47 294	-4.4%	66199	40.0%	15400	18424	19.6%
Cables, wire products & gates	617 237	647 089	4.8%	588 843	-9.0%	713227	21.1%	162947	182399	11.9%
Fasteners	49 321	57 113	15.8%	50 576	-11.4%	67205	32.9%	15414	19065	23.7%
Other	152 221	180 891	18.8%	165 603	-8.5%	255194	54.1%	49205	106223	115.9%
Building & Construction	863 968	967 913	12.0%	955 102	-1.3%	1235743	29.4%	275859	372201	34.9%
Unallocated	565 677	866 075	53.1%	791 714	-8.6%	1007569	27.3%	245616	156303	-36.4%
Total	3 756 327	4 514 553	20.2%	4 238 653	-6.1%	5 343 523	26.1%	1 235 129	1 434 342	16.1%

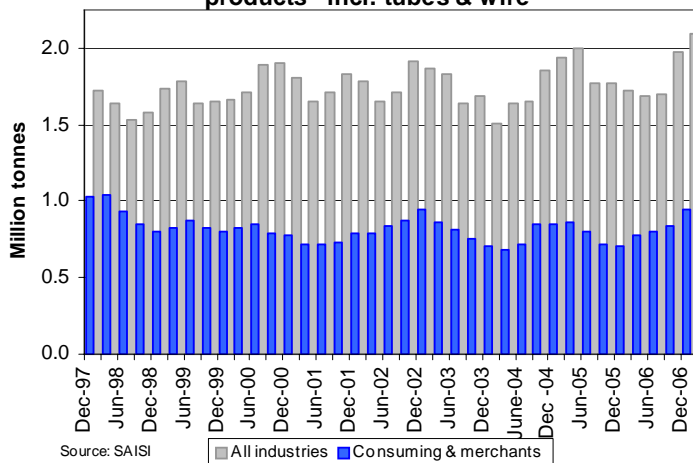
Source: SAISI

Stocks of primary steel products on hand - end of March 07

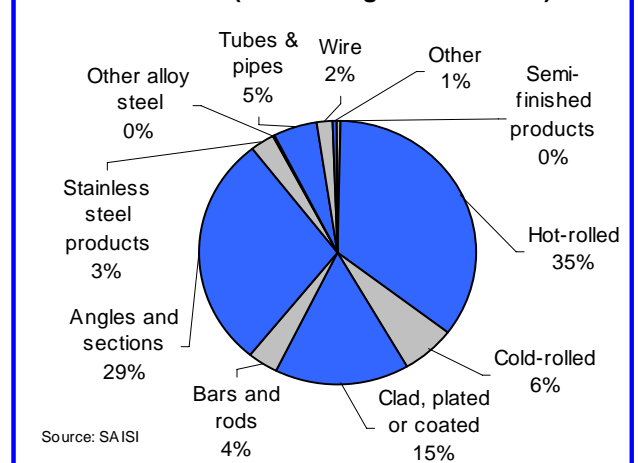
Products (metric tons)	Sept 2006		Dec 2006		March 2007	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
1 Iron and non-alloy steel	1 486 243	733 289	1 770 034	848 859	1 873 090	943 523
A Semi-finished products	247 796	3 056	372 427	3 557	405 197	5 014
B Total finished products	1 238 447	730 233	1 397 607	845 302	1 467 893	938 509
C Total flat rolled products	837 358	465 932	940 246	549 153	973 514	597 826
i Hot-rolled	459 956	295 030	539 104	347 320	522 254	366 723
ii Cold-rolled	188 917	54 801	180 556	61 364	209 616	68 117
iii Clad, plated or coated	188 485	116 101	220 586	140 469	241 644	162 986
D Total profile products	401 089	264 301	457 361	296 149	494 379	340 683
i Bars and rods	105 074	37 745	111 061	38 034	101 506	37 315
ii Angles and sections	296 015	226 556	346 300	258 115	392 873	303 368
2 Stainless steel products	123 711	21 405	120 893	23 020	124 563	27 717
3 Other alloy steel	2 049	2 049	2 012	2 012	2 043	2 043
4 Other products	84 764	78 833	81 492	69 652	90 774	80 420
i Tubes & pipes	60 949	55 853	61 735	50 179	65 435	56 764
ii Wire	19 472	19 472	14 623	14 623	18 204	18 204
iii Other	4 343	3 508	5 134	4 850	7 135	5 452

Source: SAISI (Not absolute values - factor applied)

Stocks of primary carbon, alloy & stainless steel products - incl. tubes & wire



Stocks of primary steel products - end March '07 (consuming & merchants)



* Primary & consuming industries and merchants ** Consuming industries & merchants