



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

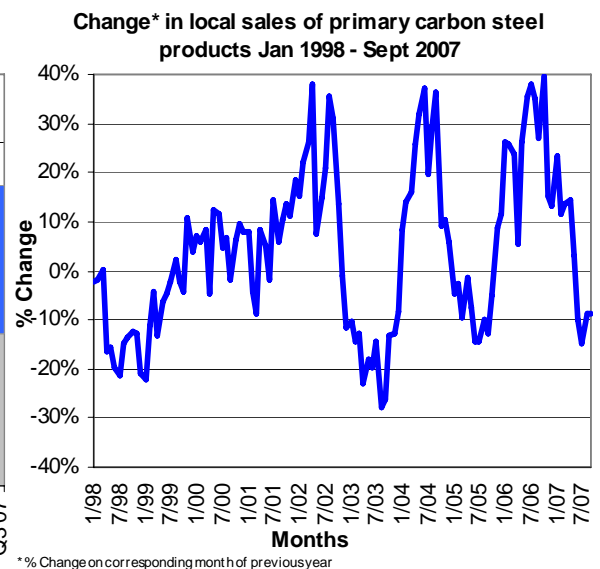
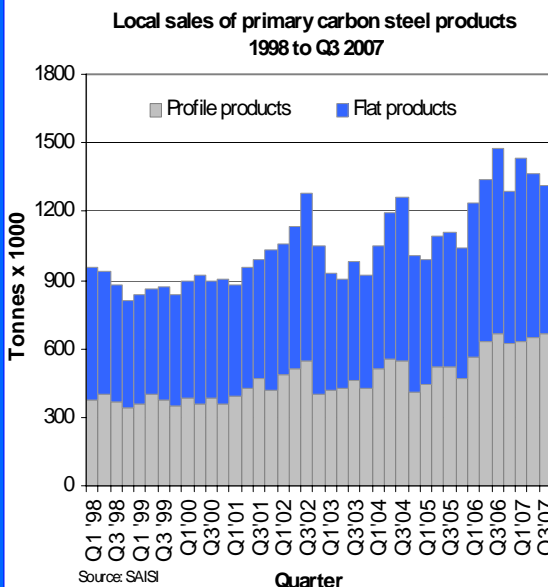
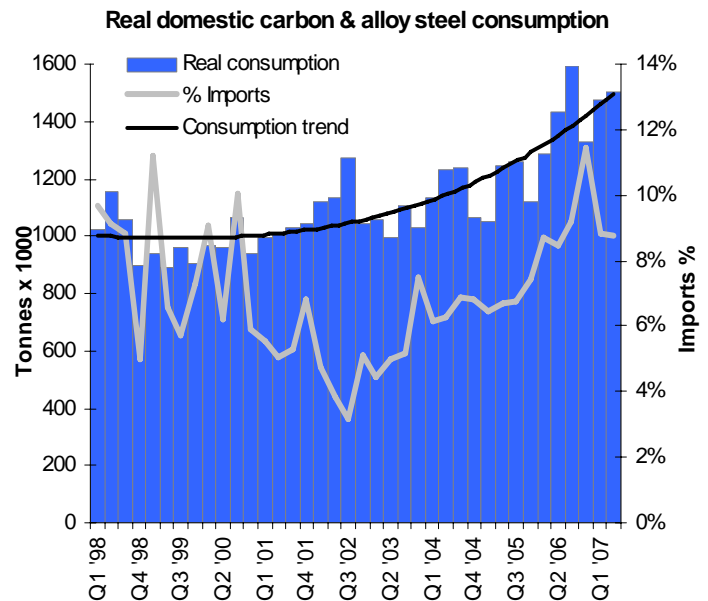
## Domestic carbon steel sales increased by 1,6% during the first 9 months of 2007

Domestic carbon steel sales totalled 1,316 million tonnes during quarter 3 of 2007, a decrease of 10,7% when compared with the corresponding quarter of 2006.

Domestic carbon steel sales totalled 4,111 million tonnes during the first 9 months of 2007, an increase of 1,6% when compared with the first 9 months of 2006.

During quarter 3 of 2007 sales of carbon steel flat products decreased by 8,6% while sales of profile products increased by 2,2% compared with quarter 2 of 2007.

(Continued on page 2)



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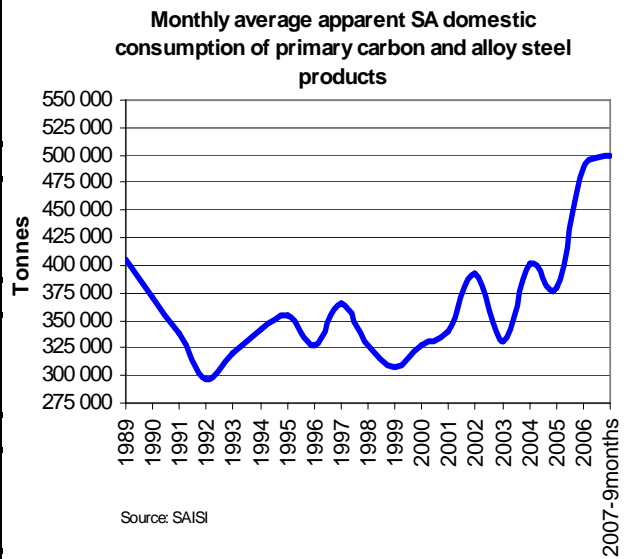
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# Steel sales increased by 1,6% in first 9 months 2007 (Cont. from page 1)

Total local sales of primary carbon steel products - 2005 to September 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
<b>Q1</b>	<b>446.5</b>	<b>541.0</b>	<b>987.5</b>	<b>559.3</b>	<b>675.8</b>	<b>1 235.1</b>	<b>632.8</b>	<b>800.0</b>	<b>1 432.8</b>
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
<b>Q2</b>	<b>521.1</b>	<b>574.5</b>	<b>1 095.6</b>	<b>630.1</b>	<b>708.9</b>	<b>1 339.0</b>	<b>651.8</b>	<b>710.9</b>	<b>1 362.6</b>
JULY	165.3	192.0	357.3	232.2	260.1	492.3	213.0	207.1	420.1
AUG	173.3	197.8	371.1	222.1	279.7	501.8	233.6	225.0	458.6
SEP	182.0	195.0	377.0	212.7	266.8	479.5	219.2	217.8	437.0
<b>Q3</b>	<b>520.5</b>	<b>584.9</b>	<b>1 105.4</b>	<b>666.9</b>	<b>806.6</b>	<b>1 473.5</b>	<b>665.8</b>	<b>649.9</b>	<b>1 315.7</b>
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			
<b>Q4</b>	<b>470.2</b>	<b>572.0</b>	<b>1 042.3</b>	<b>619.4</b>	<b>670.2</b>	<b>1 289.6</b>			
<b>TOTAL</b>	<b>1 958.4</b>	<b>2 272.4</b>	<b>4 230.8</b>	<b>2 475.7</b>	<b>2 861.6</b>	<b>5 337.3</b>	<b>1 950.4</b>	<b>2 160.8</b>	<b>4 111.1</b>

Source: SAI



## Imports of finished carbon and alloy steel products totalled 8,8% of apparent domestic steel consumption during Q2 2007

Imports of finished carbon and alloy steel products totalled 131 819 tonnes (135 890 tonnes including semis) during Q2 of 2007. This was 8,8% of the total apparent domestic carbon & alloy steel consumption, a increase from 8,4% in Q1 of 2007 (8,6% first half 2007 vs. 8,3% first half 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 8,2% during Q2 of 2007 compared with the corresponding period of 2006. Imports during the second quarter of 2007 increased by 0,8% compared with imports during the first quarter of 2007.

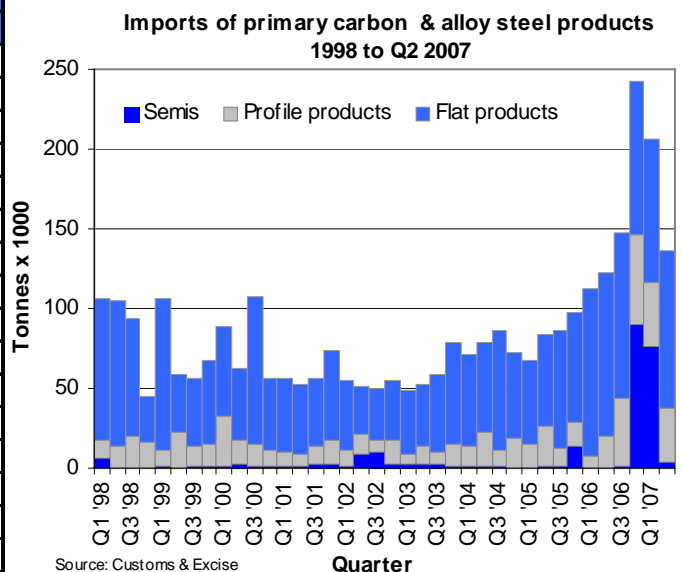
Imports of drawn wire (all grades) amounted to 12 558 tonnes, semis to 4 071 tonnes (excl. stainless) and primary stainless steel products (excluding stainless drawn wire) to 10 377 tonnes during Q2 of 2007.

(Continued on page 3)

Imports of primary carbon and alloy steel products - 2006 to Aug 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
<b>Q1</b>	<b>0.4</b>	<b>6.9</b>	<b>104.6</b>	<b>112.0</b>	<b>75.7</b>	<b>39.9</b>	<b>90.8</b>	<b>206.4</b>
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	3.8	14.9	39.0	57.7
JUNE	0.1	8.3	22.9	31.2	0.1	9.3	26.4	35.8
<b>Q2</b>	<b>0.6</b>	<b>19.6</b>	<b>102.3</b>	<b>122.5</b>	<b>4.1</b>	<b>33.1</b>	<b>98.7</b>	<b>135.9</b>
JULY	0.4	17.8	39.7	57.9	0.2	8.1	22.0	30.3
AUG	0.5	17.7	38.9	57.0	0.3	16.0	30.1	46.4
SEP	0.1	7.0	25.5	32.5				
<b>Q3</b>	<b>0.9</b>	<b>42.4</b>	<b>104.1</b>	<b>147.4</b>	<b>0.5</b>	<b>24.1</b>	<b>52.1</b>	<b>76.7</b>
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				
<b>Q4</b>	<b>90.5</b>	<b>55.4</b>	<b>96.3</b>	<b>242.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>92.4</b>	<b>124.3</b>	<b>407.3</b>	<b>624.1</b>	<b>80.3</b>	<b>97.1</b>	<b>241.6</b>	<b>419.0</b>

Source: Customs and Excise



# Imports per country of origin

(Continued from page 2)

**IMPORTS - South Africa's ten most important steel trading partners in 2006 and first 8 months 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

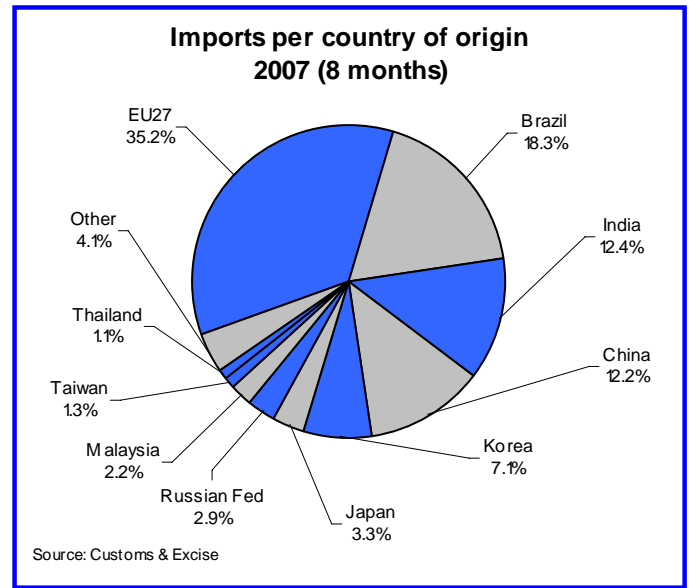
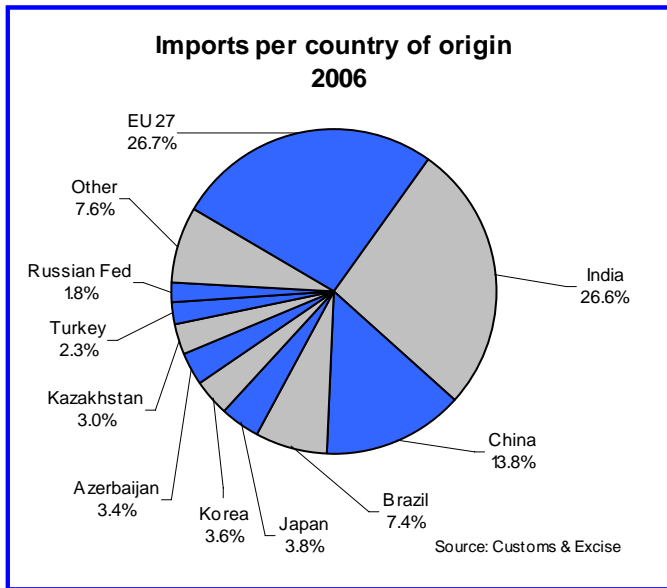
Countries	2006	Countries	07 - 8mths
EU 27	190 765	EU27	167 105
India	189 854	Brazil	86 706
China	98 801	India	58 683
Brazil	53 180	China	57 891
Japan	26 789	Korea	33 559
Korea	26 067	Japan	15 778
Azerbaijan	24 425	Russian Fed	13 932
Kazakhstan	21 459	Malaysia	10 602
Turkey	16 364	Taiwan	6 009
Russian Fed	12 540	Thailand	5 216
Total 10 countries	660 245	Total 10 countries	455 481
<b>Total imports</b>	<b>714 292</b>	<b>Total imports</b>	<b>474 982</b>
10 Countries/ total	92.4%	10 Countries/ total	95.9%
Other	54 047	Other	19 500

Source: Customs & Excise

During the first eight months of 2007 imports from the EU 27 consisted mostly (24%) of alloy hot-rolled steel sheets or 90% of all alloy hot-rolled steel sheet imports into South Africa during this period. About 28 650 tonnes of rails were imported from the EU27 during the first eight months 2007 or 92% of all rail imports into South Africa during this period.

Imports from Brazil consisted mostly (80%) of semis during the first eight months of 2007. Imports from India consisted mostly (59%) of carbon steel hot-dipped galvanised coil & sheet, representing 54% of the 63 695 tonnes of carbon steel hot-dipped galvanised coil & sheet imported into South Africa during this period.

Imports from China consisted mostly (23%) of drawn wire. Cold-rolled sheet imports from China represented 10% and plate in lengths 7% of all imports from China during the first eight months of 2007. Imports from Korea consisted mostly (55%) of sections and bars, painted sheets (16%) and other coated sheets (16%).



## Exports of carbon steel products as reported by South African producers decreased by 23,4% during first 9 months of 2007

Exports of primary carbon steel products, reported by South African primary steel manufacturers, totalled 1.456 million tonnes during the first 9 months of 2007, a decrease of 23,4% over the corresponding period in 2006. During the third quarter of 2007, carbon steel exports increased by 6,8% compared with the second quarter of 2007. During the third quarter of 2007 profile product exports decreased by 16,8% compared with the second quarter of 2007 while exports of flat products recorded an increase of 19,2% during the same period.

During the first 9 months of 2007, exports of flat carbon steel products amounted to 69,6% of total exports and exports of profile carbon steel products to 30,4% of total exports.

# Exports decreased by 23,4% in first 9 months 2007

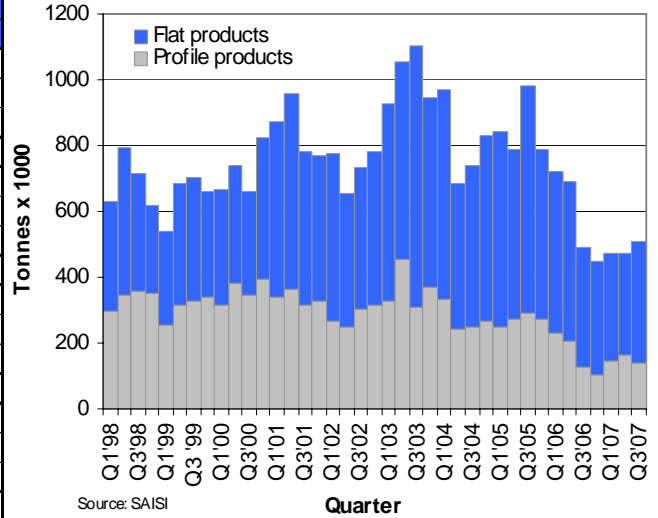
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Exports of primary carbon steel products reported by the primary steel producers - 2005 to Sept 2007 ('000 tonnes)

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	38.8	118.1	156.9
AUG	97.6	244.9	342.6	35.2	83.6	118.8	47.6	139.7	187.3
SEP	101.1	231.1	332.2	44.4	115.7	160.1	50.0	112.8	162.8
Q3	289.5	691.2	980.7	127.8	362.3	490.1	136.4	370.6	506.9
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	443.1	1 012.6	1 455.7

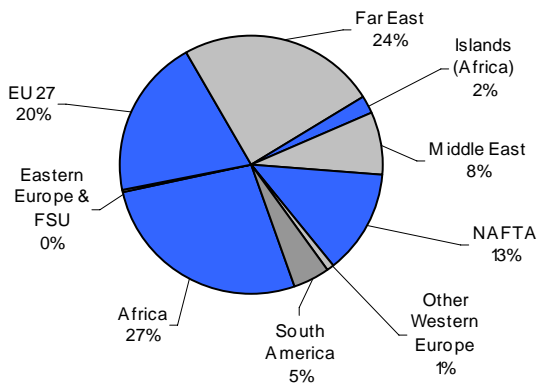
Source: SAISI

Exports of primary carbon steel products 1998 to Q3 2007



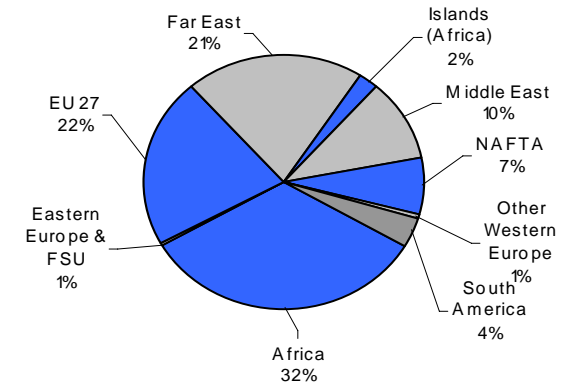
Source: SAISI

Exports per region of destination 2006



Source: Customs & Excise

Exports per region of destination 2007 (8 months)



Source: Customs & Excise

## Carbon steel sales to industrial groups during Q2 of 2007

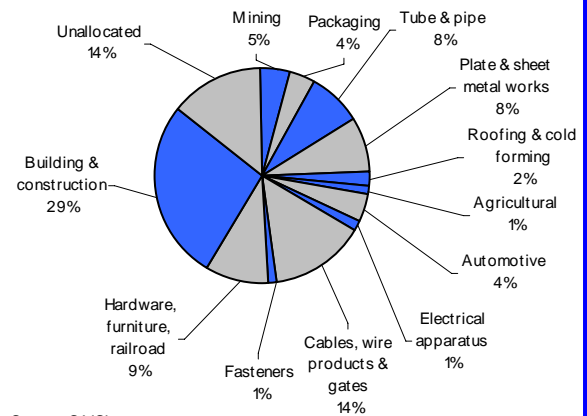
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Sales of primary carbon steel products to industrial groups

Metric tons	Q2 2007		
	Profile	Flat	Total
1 Mining	26 892	38 578	65 470
2 Total Manufacturing	269 244	457 659	726 903
Packaging	212	49 229	49 441
Structural Metal	3 382	245 414	248 796
Tube & pipe	1 324	109 261	110 585
Plate & sheet metal works	2 058	109 566	111 624
Roofing & cold forming	0	26 587	26 587
Agricultural	19 394	179	19 573
Automotive	9 098	46 970	56 068
Electrical apparatus	138	19 164	19 302
Cables, wire products & gates	185 206	2 314	187 520
Fasteners	18 738	80	18 818
Other: Hardware, furniture, rail	33 076	94 309	127 385
3 Building & construction	273 357	101 391	374 748
4 Unallocated	82 263	113 207	195 470
5 Total	651 756	710 835	1 362 591

Source: SAISI

Sales of primary carbon steel products to industrial groups - Q2 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	Q2 2006	Q2 2007	Q207/Q206
<b>Mining</b>	110 608	146 396	<b>32.4%</b>	164 132	<b>12.1%</b>	211121	<b>28.6%</b>	50109	65470	<b>30.7%</b>
<b>Manufacturing</b>	2 216 074	2 534 169	<b>14.4%</b>	2 327 706	<b>-8.1%</b>	2889090	<b>24.1%</b>	715728	726903	<b>1.6%</b>
Packaging	281 882	260 673	<b>-7.5%</b>	256 443	<b>-1.6%</b>	264036	<b>3.0%</b>	50405	49441	<b>-1.9%</b>
Structural Metal	782 313	986 215	<b>26.1%</b>	895 524	<b>-9.2%</b>	1117162	<b>24.7%</b>	291003	248796	<b>-14.5%</b>
Tube & Pipe	396 851	528 826	<b>33.3%</b>	438 502	<b>-17.1%</b>	606919	<b>38.4%</b>	153576	110585	<b>-28.0%</b>
Plate & Sheet metal works	355 889	434 851	<b>22.2%</b>	420 407	<b>-3.3%</b>	456370	<b>8.6%</b>	124089	111624	<b>-10.0%</b>
Roofing & Cold forming	29 572	22 538	<b>-23.8%</b>	36 616	<b>62.5%</b>	53873	<b>47.1%</b>	13338	26587	<b>99.3%</b>
Agricultural	41 301	38 555	<b>-6.6%</b>	33 048	<b>-14.3%</b>	44061	<b>33.3%</b>	10528	19573	<b>85.9%</b>
Automotive	237 264	314 152	<b>32.4%</b>	290 375	<b>-7.6%</b>	362006	<b>24.7%</b>	83821	56068	<b>-33.1%</b>
Electrical apparatus/white goods	54 535	49 481	<b>-9.3%</b>	47 294	<b>-4.4%</b>	66199	<b>40.0%</b>	16160	19302	<b>19.4%</b>
Cables, wire products & gates	617 237	647 089	<b>4.8%</b>	588 843	<b>-9.0%</b>	713227	<b>21.1%</b>	183972	187520	<b>1.9%</b>
Fasteners	49 321	57 113	<b>15.8%</b>	50 576	<b>-11.4%</b>	67205	<b>32.9%</b>	16946	18818	<b>11.0%</b>
Other	152 221	180 891	<b>18.8%</b>	165 603	<b>-8.5%</b>	255194	<b>54.1%</b>	62893	127385	<b>102.5%</b>
<b>Building &amp; Construction</b>	863 968	967 913	<b>12.0%</b>	955 102	<b>-1.3%</b>	1235743	<b>29.4%</b>	312224	374748	<b>20.0%</b>
<b>Unallocated</b>	565 677	866 075	<b>53.1%</b>	791 714	<b>-8.6%</b>	1007569	<b>27.3%</b>	263066	195470	<b>-25.7%</b>
<b>Total</b>	<b>3 756 327</b>	<b>4 514 553</b>	<b>20.2%</b>	<b>4 238 653</b>	<b>-6.1%</b>	<b>5 343 523</b>	<b>26.1%</b>	<b>1 341 127</b>	<b>1 362 591</b>	<b>1.6%</b>

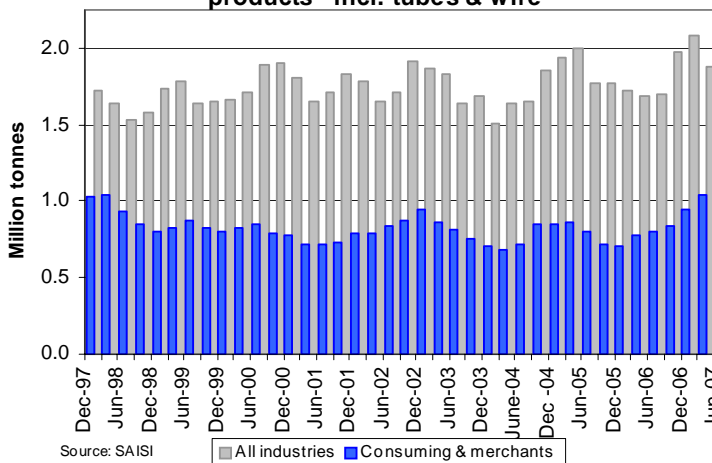
Source: SAISI

## Stocks of primary steel products on hand - end of June 2007

Products (metric tons)	Dec 2006		March 2007		June 2007	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
<b>1 Iron and non-alloy steel</b>	<b>1 770 034</b>	<b>848 859</b>	<b>1 866 422</b>	<b>936 855</b>	<b>1 680 610</b>	<b>931 415</b>
A Semi-finished products	372 427	3 557	405 197	5 014	288 538	6 792
B Total finished products	1 397 607	845 302	1 461 225	931 841	1 392 072	924 623
C Total flat rolled products	940 246	549 153	968 527	592 839	902 823	569 935
i Hot-rolled	539 104	347 320	515 082	359 551	541 367	354 485
ii Cold-rolled	180 556	61 364	211 262	69 763	151 036	67 991
iii Clad, plated or coated	220 586	140 469	242 183	163 525	210 420	147 459
D Total profile products	457 361	296 149	492 698	339 002	489 249	354 688
i Bars and rods	111 061	38 034	101 241	37 050	95 242	34 621
ii Angles and sections	346 300	258 115	391 457	301 952	394 007	320 067
<b>2 Stainless steel products</b>	<b>120 893</b>	<b>23 020</b>	<b>124 083</b>	<b>27 237</b>	<b>106 888</b>	<b>27 016</b>
<b>3 Other alloy steel</b>	<b>2 012</b>	<b>2 012</b>	<b>2 043</b>	<b>2 043</b>	<b>2 557</b>	<b>2 557</b>
<b>4 Other products</b>	<b>81 492</b>	<b>69 652</b>	<b>90 730</b>	<b>80 376</b>	<b>93 134</b>	<b>83 469</b>
i Tubes & pipes	61 735	50 179	65 391	56 720	65 417	58 502
ii Wire	14 623	14 623	18 204	18 204	19 497	19 497
iii Other	5 134	4 850	7 135	5 452	8 220	5 470

Source: SAISI (Not absolute values - factor applied)

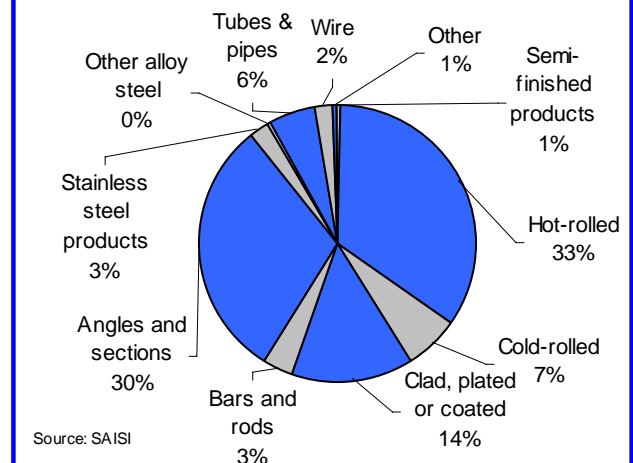
Stocks of primary carbon, alloy & stainless steel products - incl. tubes & wire



Source: SAISI

■ All industries ■ Consuming & merchants

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



Source: SAISI

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