



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

## Domestic carbon steel sales remain essentially at the same level during 2007 compared with 2006

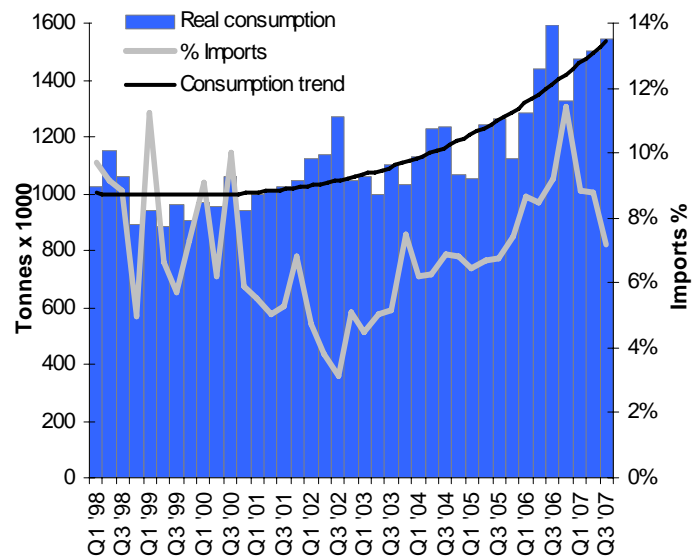
Domestic carbon steel sales totalled 1,215 million tonnes during quarter 4 of 2007, a decrease of 5,8% when compared with the corresponding quarter of 2006.

Domestic carbon steel sales totalled 5,326 million tonnes during 2007, a marginal decline of 0,2% when compared with 2006.

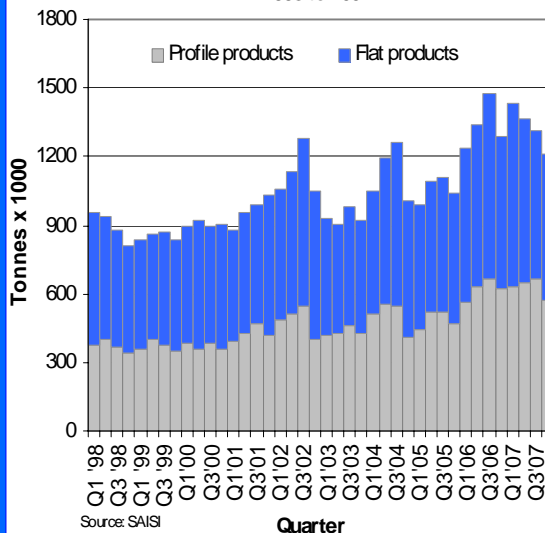
During quarter 4 of 2007 sales of carbon steel flat products decreased by 1,1% while sales of profile products decreased by 14,1% compared with quarter 3 of 2007.

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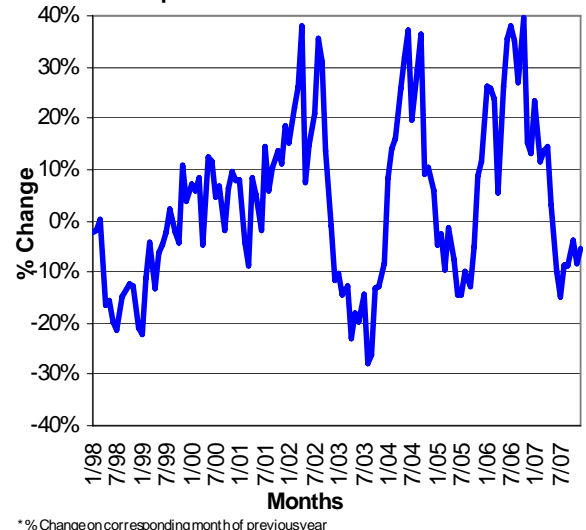
Real domestic carbon & alloy steel consumption



Local sales of primary carbon steel products 1998 to 2007



Change\* in local sales of primary carbon steel products Jan 1998 - Dec 2007



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STAINLESS  
[Pty] Ltd



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Contents	Page
• Domestic carbon steel sales remain at essentially the same level during 2007 vs 2006	1
• Imports of carbon and alloy steel products at 7,7% of consumption during Q3 of 2007	2
• Imports per country of origin during first ten months of 2007	3
• Exports of carbon steel products decreased by 15,5% during 2007	3
• Carbon steel sales to industrial groups during Q3 of 2007	4
• Stocks of primary steel products on hand at the end of September 2007	5

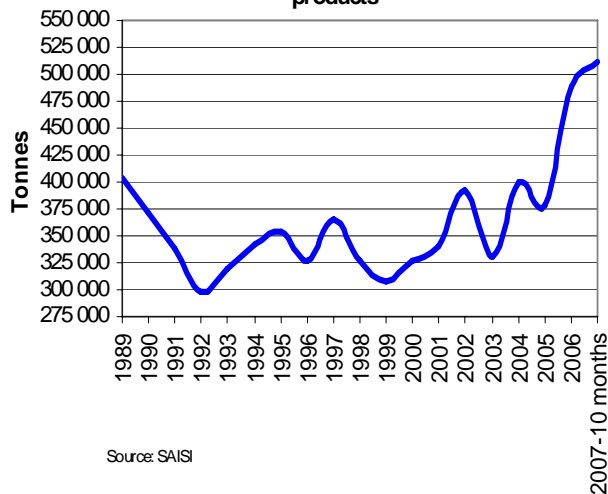
# Steel sales essentially at same level in 2007 vs 2006 (Cont. from page 1)

Total local sales of primary carbon steel products - 2005 to December 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	243.1	270.8	513.9
NOV	186.9	228.8	415.7	227.6	251.6	479.2	201.3	238.2	439.4
DEC	106.9	137.4	244.3	143.9	132.8	276.7	127.7	134.0	261.8
<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>572.1</b>	<b>643.0</b>	<b>1 215.1</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>2 522.5</b>	<b>2 803.7</b>	<b>5 326.2</b>

Source: SAIIS

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



Source: SAIIS

## Imports of finished carbon and alloy steel products totalled 7,7% of apparent domestic steel consumption during Q3 2007

Imports of finished carbon and alloy steel products totalled 110 469 tonnes (111 048 tonnes including semis) during Q3 of 2007. This was 7,7% of the total apparent domestic carbon & alloy steel consumption, a decrease from 8,8% in Q2 of 2007. 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)

decreased by 24,6% during Q3 of 2007 compared with the corresponding period of 2006. Imports during the third quarter of 2007 decreased by 16,2% compared with imports during the second quarter of 2007.

Imports of drawn wire (all grades) amounted to 9 590 tonnes, semis to 579 tonnes (excl. stainless) and primary stainless steel products (excluding stainless drawn wire) to 7 922 tonnes during Q3 of 2007.

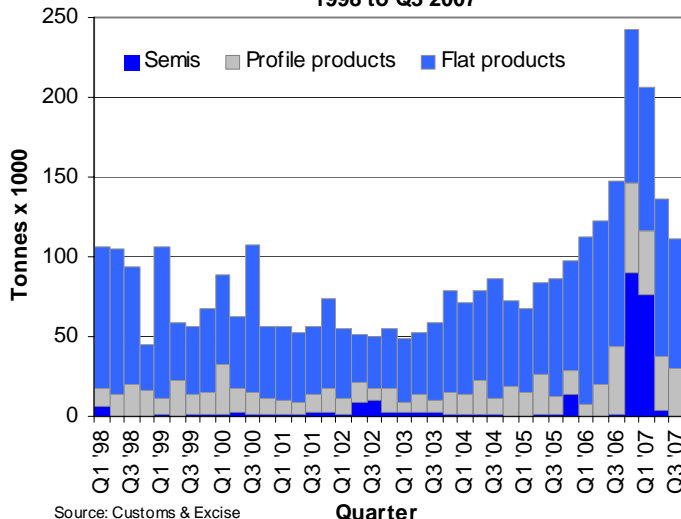
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Imports of primary carbon and alloy steel products - 2006 to Oct 2007 ('000 tonnes) - Excl stainless steel & wire

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	0.0	5.6	28.7	34.3
<b>Q3</b>	<b>0.9</b>	<b>42.4</b>	<b>104.1</b>	<b>147.4</b>	<b>0.6</b>	<b>29.7</b>	<b>80.8</b>	<b>111.0</b>
OCT	0.2	21.4	52.4	73.9	0.2	9.5	23.9	33.6
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>0.2</b>	<b>9.5</b>	<b>23.9</b>	<b>33.6</b>
<b>TOTAL</b>	<b>92.4</b>	<b>124.3</b>	<b>407.3</b>	<b>624.1</b>	<b>80.6</b>	<b>112.2</b>	<b>294.1</b>	<b>487.0</b>

Source: Customs and Excise

Imports of primary carbon & alloy steel products 1998 to Q3 2007



Source: Customs & Excise

# Imports per country of origin

(Continued from page 2)

## IMPORTS - South Africa's ten most important steel trading partners in 2006 and first 10 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

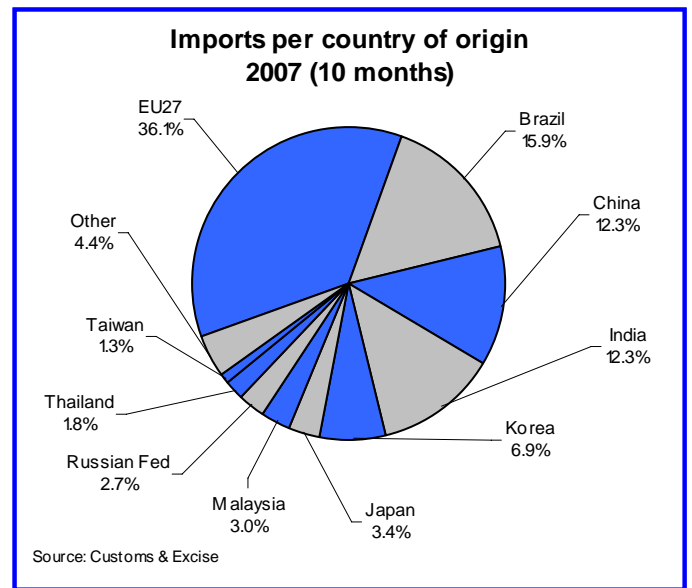
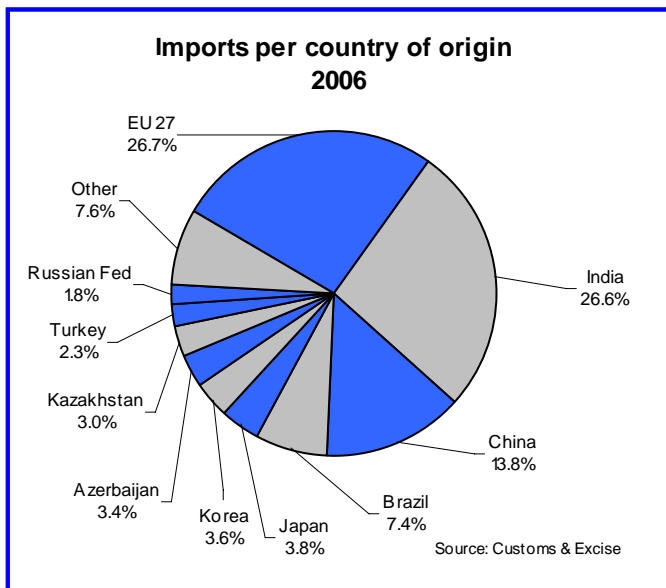
Countries	2006	Countries	07 - 10mths
EU 27	190 765	EU27	200 119
India	189 854	Brazil	88 074
China	98 801	China	68 145
Brazil	53 180	India	68 096
Japan	26 789	Korea	37 969
Korea	26 067	Japan	18 652
Azerbaijan	24 425	Malaysia	16 774
Kazakhstan	21 459	Russian Fed	14 877
Turkey	16 364	Thailand	10 251
Russian Fed	12 540	Taiwan	7 024
Total 10 countries	660 245	Total 10 countries	529 982
<b>Total imports</b>	<b>714 292</b>	<b>Total imports</b>	<b>554 208</b>
10 Countries/ total	92.4%	10 Countries/ total	95.6%
Other	54 047	Other	24 227

Source: Customs & Excise

During the first ten months of 2007 imports from the EU 27 consisted mostly (24%) of alloy hot-rolled steel sheets or 91% of all alloy hot-rolled steel sheet imports into South Africa during this period. About 31 070 tonnes of rails were imported from the EU27 during the first ten months 2007 or 93% of all rail imports into South Africa during this period.

Imports from Brazil consisted mostly (79%) of semis during the first ten months of 2007. Imports from China consisted mostly of various types of bars & rods (33%). Drawn wire imports from China represented 25% all imports from China during the first ten months of 2007.

Imports from India consisted mostly (60%) of carbon steel hot-dipped galvanised coil & sheet, representing 53% of the 76 630 tonnes of carbon steel hot-dipped galvanised coil & sheet imported into South Africa during this period. Imports from Korea consisted mostly (49%) of sections and bars, painted sheets (20%) and other coated sheets (17%).



## Exports of carbon steel products as reported by South African producers decreased by 15,5% during 2007

Exports of primary carbon steel products, reported by South African primary steel manufacturers, totalled 1.987 million tonnes during 2007, a decrease of 15,5% over the corresponding period in 2006. During the fourth quarter of 2007, carbon steel exports increased by 4,8% compared with the third quarter of 2007. During the fourth quarter of 2007 profile product exports decreased by 1,2% compared with the third quarter of 2007 while exports of flat products recorded an increase of 7,0% during the same period.

During 2007, exports of flat carbon steel products amounted to 70,9% of total exports and exports of profile carbon steel products to 29,1% of total exports.

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# Exports decreased by 15,5% in 2007

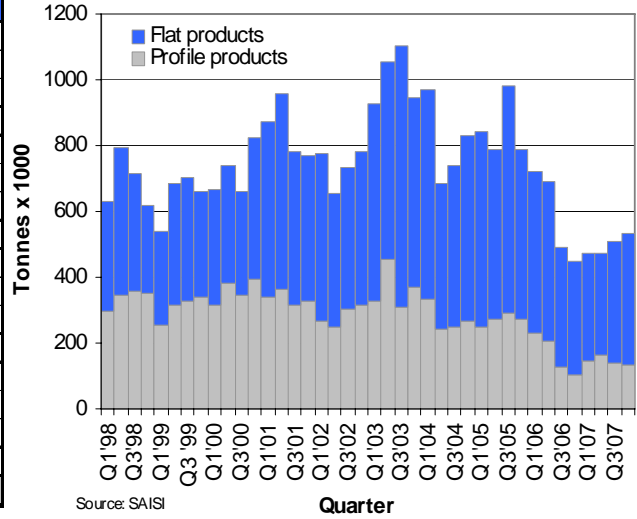
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Exports of primary carbon steel products reported by the primary steel producers - 2005 to Dec 2007 ('000 tonnes)

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	41.4	159.5	201.0
NOV	85.6	176.0	261.6	36.7	101.6	138.3	42.1	149.4	191.4
DEC	85.0	180.1	265.1	22.0	92.9	114.9	51.2	87.9	139.1
Q4	269.8	519.2	788.9	103.1	346.6	449.8	134.7	396.7	531.4
TOTAL	1 083.4	2 314.2	3 397.6	665.1	1 685.9	2 351.0	577.8	1 409.4	1 987.2

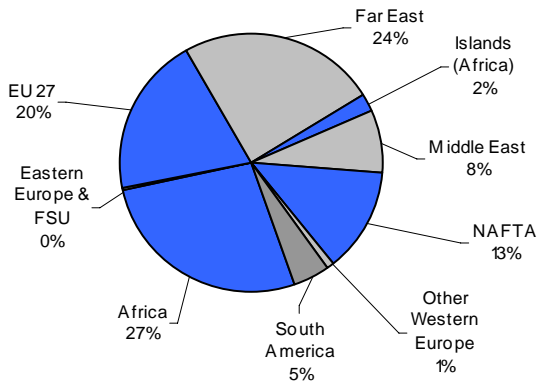
Source: SAISI

Exports of primary carbon steel products 1998 to 2007



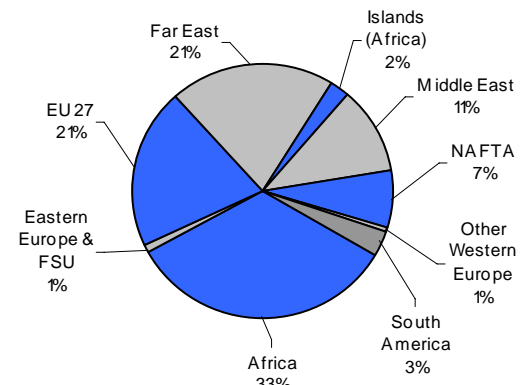
Source: SAISI

Exports per region of destination 2006



Source: Customs & Excise

Exports per region of destination 2007 (10 months)



Source: Customs & Excise

# Carbon steel sales to industrial groups during Q3 of 2007

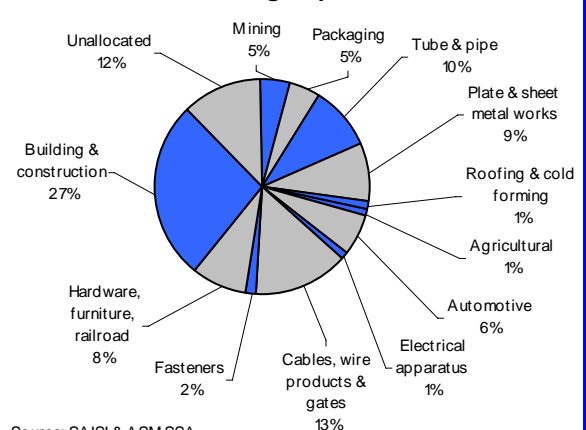
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Sales of primary carbon steel products to industrial groups

Metric tons	Q3 2007		
	Profile	Flat	Total
1 Mining	31 137	29 544	60 681
2 Total Manufacturing	265 215	468 647	733 862
Packaging	230	61 238	61 468
Structural Metal	3 402	253 505	256 907
Tube & pipe	1 429	127 656	129 085
Plate & sheet metal works	1 973	110 437	112 410
Roofing & cold forming	0	15 412	15 412
Agricultural	12 109	307	12 416
Automotive	9 668	67 512	77 180
Electrical apparatus	122	15 139	15 261
Cables, wire products & gates	183 384	1 713	185 097
Fasteners	20 830	90	20 920
Other: Hardware, furniture, rail	35 470	69 143	104 613
3 Building & construction	293 032	73 304	366 336
4 Unallocated	81 866	78 376	160 242
5 Total	671 250	649 871	1 321 121

Source: SAISI & ASMSSA

Sales of primary carbon steel products to industrial groups - Q3 2007



Source: SAISI & ASMSSA

# Carbon steel sales to industrial groups

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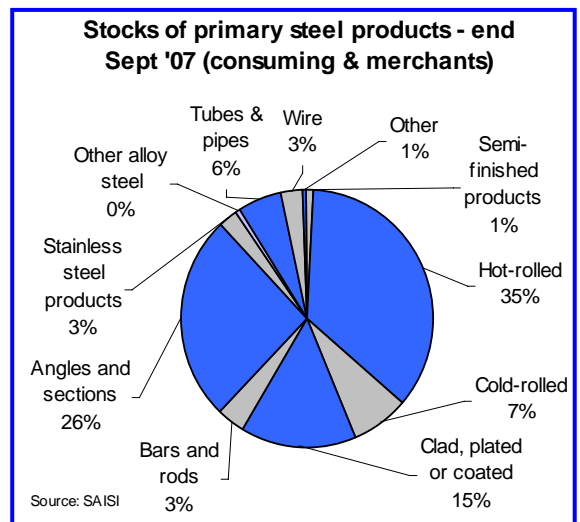
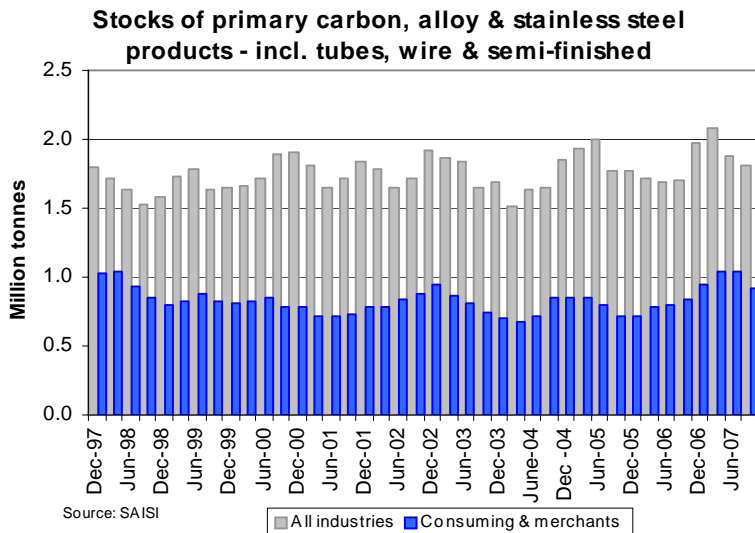
Sales of primary carbon steel products to industrial groups										
Metric tons	2003	2004	2004/2003	2005	2005/2004	2006	2006/2005	Q3 2006	Q3 2007	Q307/Q306
<b>Mining</b>	110 608	146 396	<b>32.4%</b>	164 132	<b>12.1%</b>	211 121	<b>28.6%</b>	57 702	60 681	<b>5.2%</b>
<b>Manufacturing</b>	2 216 074	2 534 169	<b>14.4%</b>	2 327 706	<b>-8.1%</b>	2 889 090	<b>24.1%</b>	807 157	733 862	<b>-9.1%</b>
Packaging	281 882	260 673	<b>-7.5%</b>	256 443	<b>-1.6%</b>	264 036	<b>3.0%</b>	72 690	61 468	<b>-15.4%</b>
Structural Metal	782 313	986 215	<b>26.1%</b>	895 524	<b>-9.2%</b>	1 117 162	<b>24.7%</b>	316 698	256 907	<b>-18.9%</b>
Tube & Pipe	396 851	528 826	<b>33.3%</b>	438 502	<b>-17.1%</b>	606 919	<b>38.4%</b>	166 156	129 085	<b>-22.3%</b>
Plate & Sheet metal works	355 889	434 851	<b>22.2%</b>	420 407	<b>-3.3%</b>	456 370	<b>8.6%</b>	134 000	112 410	<b>-16.1%</b>
Roofing & Cold forming	29 572	22 538	<b>-23.8%</b>	36 616	<b>62.5%</b>	53 873	<b>47.1%</b>	16 542	15 412	<b>-6.8%</b>
Agricultural	41 301	38 555	<b>-6.6%</b>	33 048	<b>-14.3%</b>	44 061	<b>33.3%</b>	11 373	12 416	<b>9.2%</b>
Automotive	237 264	314 152	<b>32.4%</b>	290 375	<b>-7.6%</b>	362 006	<b>24.7%</b>	105 987	77 180	<b>-27.2%</b>
Electrical apparatus/white goods	54 535	49 481	<b>-9.3%</b>	47 294	<b>-4.4%</b>	66 199	<b>40.0%</b>	18 926	15 261	<b>-19.4%</b>
Cables, wire products & gates	617 237	647 089	<b>4.8%</b>	588 843	<b>-9.0%</b>	713 227	<b>21.1%</b>	188 071	185 097	<b>-1.6%</b>
Fasteners	49 321	57 113	<b>15.8%</b>	50 576	<b>-11.4%</b>	67 205	<b>32.9%</b>	17 796	20 920	<b>17.6%</b>
Other	152 221	180 891	<b>18.8%</b>	165 603	<b>-8.5%</b>	255 194	<b>54.1%</b>	75 616	104 613	<b>38.3%</b>
<b>Building &amp; Construction</b>	863 968	967 913	<b>12.0%</b>	955 102	<b>-1.3%</b>	1 235 743	<b>29.4%</b>	341 784	366 336	<b>7.2%</b>
<b>Unallocated</b>	565 677	866 075	<b>53.1%</b>	791 714	<b>-8.6%</b>	1 007 569	<b>27.3%</b>	268 724	160 242	<b>-40.4%</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>1 475 367</b>	<b>1 321 121</b>	<b>-10.5%</b>

Source: SAISI & ASMSSA

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

Products (metric tons)	March 2007		June 2007		September 2007	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
<b>1 Iron and non-alloy steel</b>	<b>1 866 422</b>	<b>936 855</b>	<b>1 678 272</b>	<b>929 077</b>	<b>1 593 172</b>	<b>814 271</b>
A Semi-finished products	405 197	5 014	288 538	6 792	218 659	6 772
B Total finished products	1 461 225	931 841	1 389 734	922 285	1 374 513	807 499
C Total flat rolled products	968 527	592 839	900 637	567 749	925 578	533 463
i Hot-rolled	515 082	359 551	539 820	352 938	579 676	328 543
ii Cold-rolled	211 262	69 763	150 556	67 511	148 720	66 985
iii Clad, plated or coated	242 183	163 525	210 261	147 300	197 182	137 935
D Total profile products	492 698	339 002	489 097	354 536	448 935	274 036
i Bars and rods	101 241	37 050	95 176	34 555	105 231	32 016
ii Angles and sections	391 457	301 952	393 921	319 981	343 704	242 020
<b>2 Stainless steel products</b>	<b>124 083</b>	<b>27 237</b>	<b>106 895</b>	<b>27 023</b>	<b>115 390</b>	<b>23 945</b>
<b>3 Other alloy steel</b>	<b>2 043</b>	<b>2 043</b>	<b>2 557</b>	<b>2 557</b>	<b>3 208</b>	<b>3 208</b>
<b>4 Other products</b>	<b>90 730</b>	<b>80 376</b>	<b>93 637</b>	<b>83 972</b>	<b>94 329</b>	<b>83 433</b>
i Tubes & pipes	65 391	56 720	65 407	58 492	63 027	53 610
ii Wire	18 204	18 204	20 010	20 010	24 574	24 574
iii Other	7 135	5 452	8 220	5 470	6 728	5 249

Source: SAISI (Not absolute values - factor applied)



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