



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

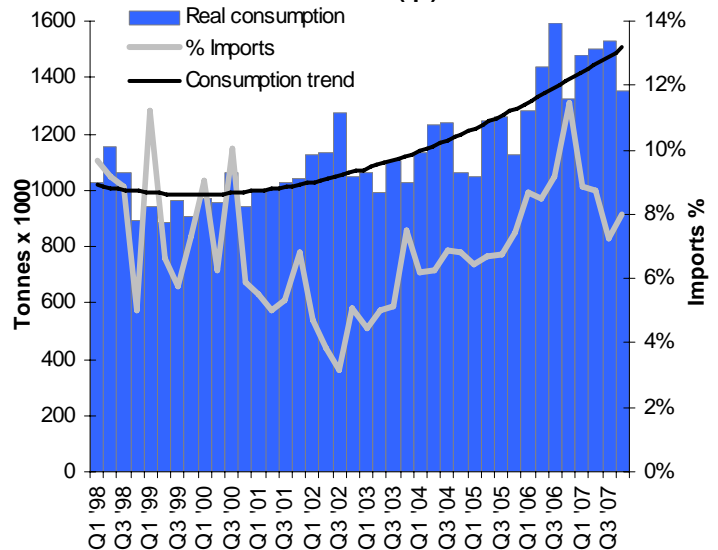
Domestic carbon steel sales increase by 2,2% during the first quarter of 2008

Domestic carbon steel sales totalled 1,464 million tonnes during quarter 1 of 2008, an increase of 2,2% when compared with the corresponding quarter of 2007.

During quarter 1 of 2008 sales of carbon steel flat products decreased by 5,5% while sales of profile products increased by 11,8% compared with quarter 1 of 2007.

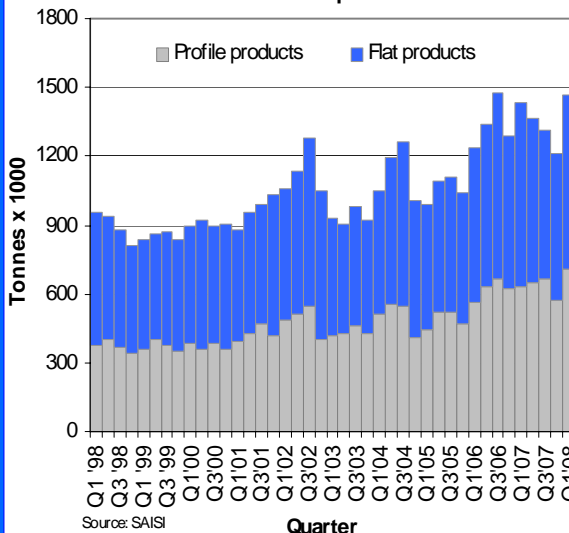
During quarter 1 of 2008 sales of carbon steel products increased by 20,5% compared with quarter 4 of 2007.

Real domestic carbon & alloy steel consumption 1998-2007(q4)



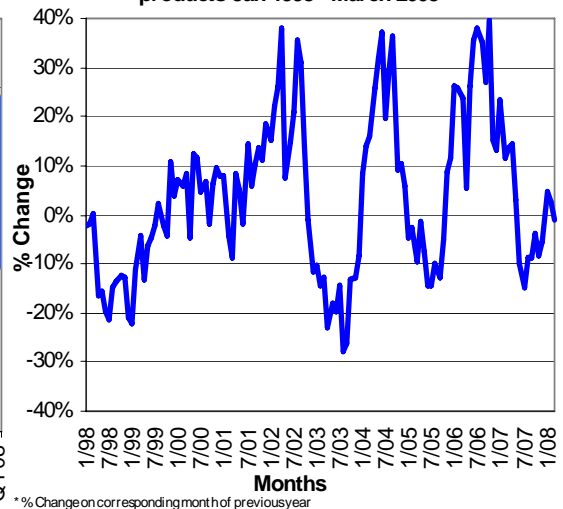
(Continued on page 2)

Local sales of primary carbon steel products 1998 to q1 2008



Source: SAISI

Change* in local sales of primary carbon steel products Jan 1998 - March 2008



*% Change on corresponding month of previous year



ArcelorMittal



Cape Gate



CISCO



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:
saisi@saisi.co.za



Contents	Page
• Domestic carbon steel sales increase by 2,2% during Q1 of 2008	1
• Imports of carbon and alloy steel products at 8,3% of consumption during 2007	2
• Imports per country of origin during 2007	3
• Exports of carbon steel products decreased by 31,8% during Q1 2008	3
• Carbon steel sales to industrial groups during Q4 of 2007	4
• Stocks of primary steel products on hand at the end of December 2007	5

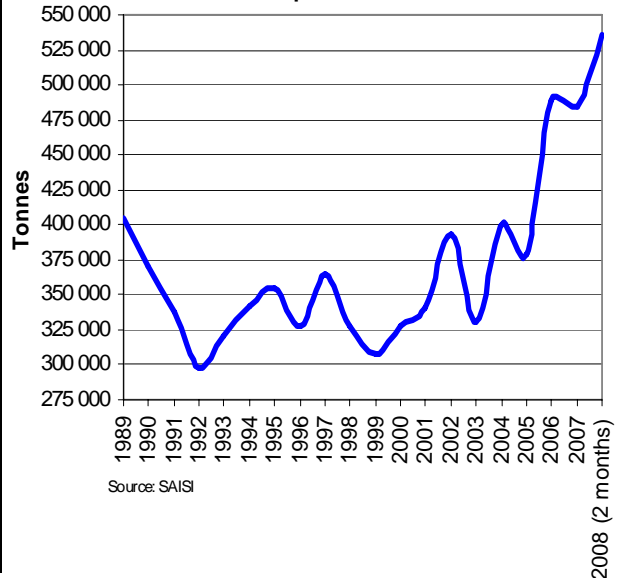
Carbon steel sales increase by 2,2% during Q1 2008 (Cont. from page 1)

Total local sales of primary carbon steel products - 2006 to March 2008 ('000 tonnes)

MONTH	2006			2007			2008		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	166.5	230.7	397.2	208.9	281.3	490.3	227.3	286.7	514.0
FEB	193.1	223.7	416.8	207.9	256.6	464.5	250.8	226.2	477.1
MAR	199.7	221.4	421.2	216.0	262.1	478.0	229.2	243.5	472.7
Q1	559.3	675.8	1 235.1	632.8	800.0	1 432.8	707.4	756.4	1 463.8
APRIL	194.1	195.8	389.9	209.4	237.0	446.4			0.0
MAY	218.6	250.6	469.3	228.8	255.6	484.4			0.0
JUNE	217.4	262.5	479.9	213.5	218.3	431.8			0.0
Q2	630.1	708.9	1 339.0	651.8	710.9	1 362.6	0.0	0.0	0.0
JULY	232.2	260.1	492.3	213.0	207.1	420.1			0.0
AUG	222.1	279.7	501.8	233.6	225.0	458.6			0.0
SEP	212.7	266.8	479.5	219.2	217.8	437.0			0.0
Q3	666.9	806.6	1 473.5	665.8	649.9	1 315.7	0.0	0.0	0.0
OCT	247.8	285.8	533.7	243.1	270.8	513.9			0.0
NOV	227.6	251.6	479.2	201.3	238.2	439.4			0.0
DEC	143.9	132.8	276.7	127.7	134.0	261.8			0.0
Q4	619.4	670.2	1 289.6	572.1	643.0	1 215.1	0.0	0.0	0.0
TOTAL	2 475.7	2 861.6	5 337.3	2 522.5	2 803.7	5 326.2	707.4	756.4	1 463.8

Source: SAIISI

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



Source: SAIISI

2008 (2 months)

Imports of finished carbon and alloy steel products totalled 8,3% of apparent domestic steel consumption during 2007

Imports of finished carbon and alloy steel products totalled 108 308 tonnes (114 052 tonnes including semis) during Q4 of 2007. This was 8,2% of the total apparent domestic carbon & alloy steel consumption, an increase from 7,7% in Q3 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 28,6% during Q4 of 2007 compared with the corresponding period of 2006. Imports during the fourth quarter of 2007 decreased by 2,0% compared with imports during the third quarter of 2007.

Imports of drawn wire (all grades) amounted to 8 608 tonnes, semis to 5 744 tonnes (excl. stainless) and primary stainless steel products (excluding stainless drawn wire) to 7 387 tonnes during Q4 of 2007.

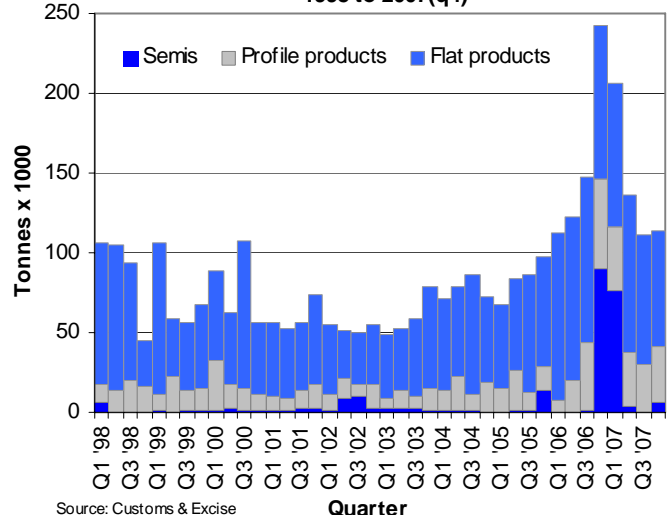
(Continued on page 3)

Imports of primary carbon and alloy steel products - 2007 to Feb 2008 ('000 tonnes) - Excl stainless steel & wire

MONTH	2007				2008			
	Semis	Profile	Flat	Total	Semis	Profile	Flat	Total
JAN	54.3	24.0	26.4	104.7	0.1	10.2	24.6	34.9
FEB	0.5	10.4	27.2	38.2	0.6	17.4	28.0	46.0
MAR	20.9	5.5	37.1	63.5				0.0
Q1	75.7	39.9	90.8	206.4	0.7	27.6	52.7	80.9
APRIL	0.2	8.9	33.3	42.4				0.0
MAY	3.8	14.9	39.0	57.7				0.0
JUNE	0.1	9.3	26.4	35.8				0.0
Q2	4.1	33.1	98.7	135.9	0.0	0.0	0.0	0.0
JULY	0.2	8.1	22.0	30.3				0.0
AUG	0.3	16.0	30.1	46.4				0.0
SEP	0.0	5.6	28.7	34.3				0.0
Q3	0.6	29.7	80.8	111.0	0.0	0.0	0.0	0.0
OCT	0.2	9.5	23.9	33.6				0.0
NOV	5.2	15.5	28.7	49.4				0.0
DEC	0.3	10.7	20.1	31.1				0.0
Q4	5.7	35.7	72.6	114.1	0.0	0.0	0.0	0.0
TOTAL	86.1	138.4	342.9	567.4	0.7	27.6	52.7	80.9

Source: Customs and Excise

Imports of primary carbon & alloy steel products 1998 to 2007(q4)



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 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	2007
EU 27	190 765	EU27	249 731
India	189 854	Brazil	88 747
China	98 801	China	80 945
Brazil	53 180	India	71 909
Japan	26 789	Korea	42 289
Korea	26 067	Japan	22 050
Azerbaijan	24 425	Russian Fed	20 983
Kazakhstan	21 459	Malaysia	18 980
Turkey	16 364	Thailand	10 319
Russian Fed	12 540	Taiwan	7 768
Total 10 countries	660 245	Total 10 countries	613 721
Total imports	714 292	Total imports	644 998
10 Countries/ total	92.4%	10 Countries/ total	95.2%
Other	54 047	Other	31 277

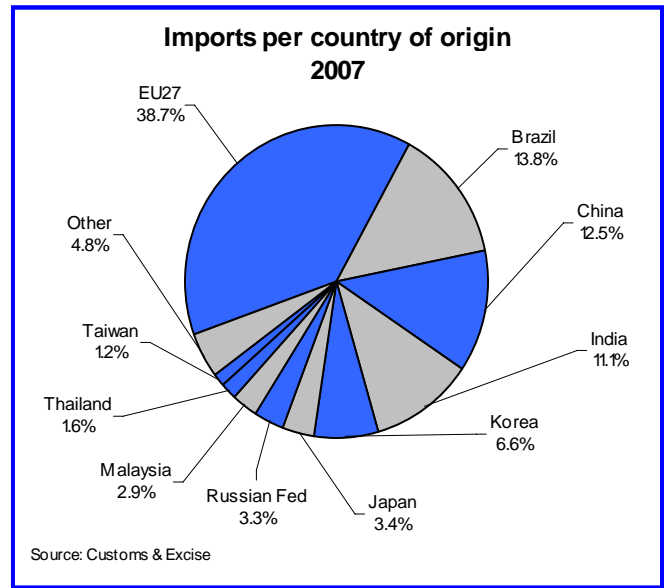
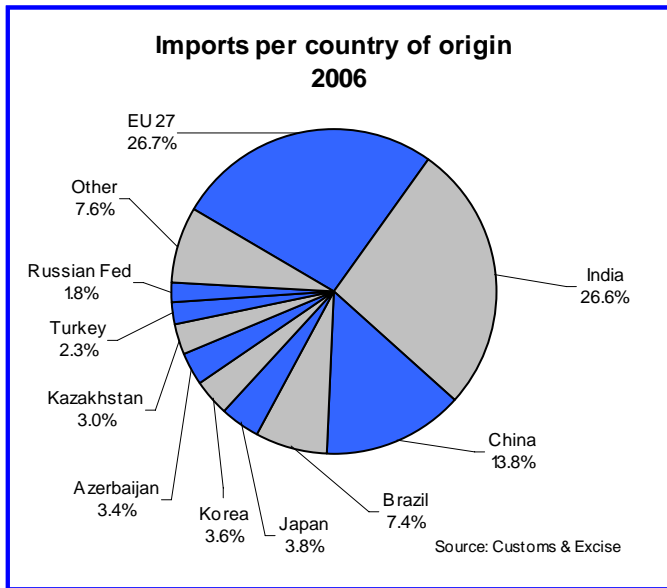
Source: Customs & Excise

HS codes 7206 - 7302 +7313

During 2007 imports from the EU 27 consisted mostly (23%) of alloy hot-rolled steel sheets or 87% of the total 66 325 tonnes of alloy hot-rolled steel sheet imports into South Africa during this period. Rails to the volume of 47 060 tonnes were imported from the EU27 during 2007 or 91% of all rail imports into South Africa during 2007. Hot-dipped galvanised sheet to the volume of 43 035 tonnes were imported from the EU27 during 2007.

Imports from Brazil consisted mostly (78%) of semis during 2007. Imports from China consisted mostly of various types of bars & rods (32%). Drawn wire imports from China represented 24% of all imports from China or 47% of all drawn wire imported into South Africa during 2007.

Imports from India consisted mostly (58%) of carbon steel hot-dipped galvanised coil & sheet, representing 48% of the 86 559 tonnes of carbon steel hot-dipped galvanised coil & sheet imported into South Africa during this period.



Exports of carbon steel products as reported by South African producers decreased by 31,8% during Q1 of 2008

Exports of primary carbon steel products, reported by South African primary steel manufacturers, totalled 0.323 million tonnes during the first quarter of 2008, a decrease of 31,8% over the corresponding period in 2007. During the first quarter of 2008, carbon steel exports decreased by 39,2% compared with the fourth quarter of 2007. During the first quarter of 2008 profile product exports decreased by 39,9% compared with the fourth quarter of 2007 while exports of flat products recorded a decrease of 38,9% during the same period.

During the first quarter of 2008, exports of flat carbon steel products amounted to 75,0% of total exports and exports of profile carbon steel products to 25,0% of total exports.

Exports decreased by 31,8% in Q1 2008

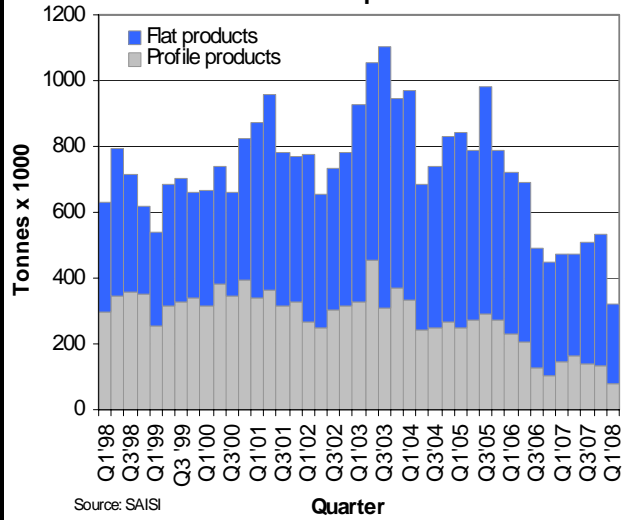
(Continued from page 3)

Exports of primary carbon steel products reported by the primary steel producers - 2006 to March 2008 ('000 tonnes)

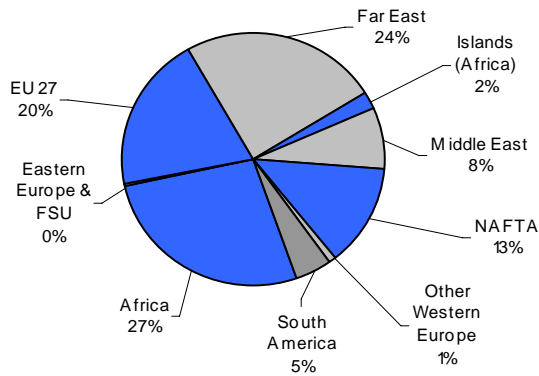
MONTH	2006			2007			2008		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	74.1	180.7	254.8	22.3	114.1	136.4	29.3	133.4	162.6
FEB	96.5	182.7	279.2	59.7	93.8	153.5	25.5	70.2	95.7
MAR	56.7	128.7	185.3	60.8	123.2	184.0	26.1	38.8	64.9
Q1	227.3	492.0	719.3	142.8	331.1	473.9	80.9	242.3	323.3
APRIL	62.5	181.2	243.7	53.7	91.9	145.6			0.0
MAY	77.3	162.8	240.0	65.8	117.5	183.3			0.0
JUNE	67.1	141.0	208.1	44.5	101.6	146.1			0.0
Q2	206.9	484.9	691.8	163.9	311.0	474.9	0.0	0.0	0.0
JULY	48.2	163.1	211.2	38.8	118.1	156.9			0.0
AUG	35.2	83.6	118.8	47.6	139.7	187.3			0.0
SEP	44.4	115.7	160.1	50.0	112.8	162.8			0.0
Q3	127.8	362.3	490.1	136.4	370.6	506.9	0.0	0.0	0.0
OCT	44.4	152.2	196.6	41.4	159.5	201.0			0.0
NOV	36.7	101.6	138.3	42.1	149.4	191.4			0.0
DEC	22.0	92.9	114.9	51.2	87.9	139.1			0.0
Q4	103.1	346.6	449.8	134.7	396.7	531.4	0.0	0.0	0.0
TOTAL	665.1	1 685.9	2 351.0	577.8	1 409.4	1 987.2	80.9	242.3	323.3

Source: SAISI

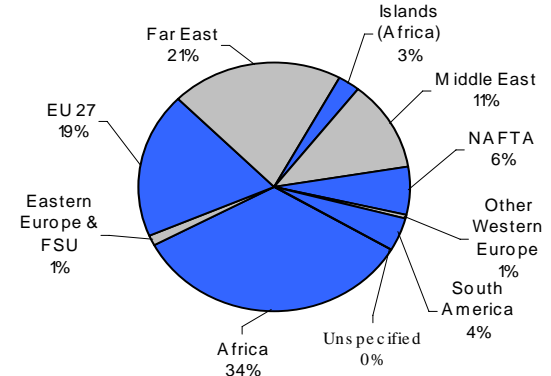
Exports of primary carbon steel products 1998 to q1 2008



Exports per region of destination 2006



Exports per region of destination 2007



Carbon steel sales to industrial groups during Q4 of 2007

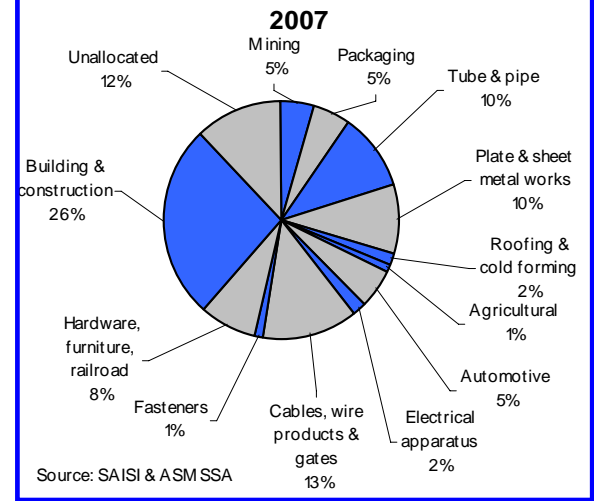
(continued on page 5)

Sales of primary carbon steel products to industrial groups

Metric tons	Q4 2007		
	Profile	Flat	Total
1 Mining	27 211	28 861	56 072
2 Total Manufacturing	220 969	471 881	692 850
Packaging	188	62 764	62 952
Structural Metal	2 913	258 488	261 401
Tube & pipe	1 184	125 005	126 189
Plate & sheet metal works	1 729	115 197	116 926
Roofing & cold forming	0	18 286	18 286
Agricultural	11 772	118	11 890
Automotive	859	62 077	62 936
Electrical apparatus	7 955	17 147	25 102
Cables, wire products & gates	153 648	3 100	156 748
Fasteners	16 920	88	17 008
Other: Hardware, furniture, rail	26 714	68 099	94 813
3 Building & construction	253 940	68 308	322 248
4 Unallocated	72 378	73 920	146 298
5 Total	574 498	642 970	1 217 468

Source: SAISI & ASMSSA

Sales of primary carbon steel products to industrial groups - Q4



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	2007	2007/2006
Mining	110 608	146 396	32.4%	164 132	12.1%	211 121	28.6%	235 783	11.7%
Manufacturing	2 216 074	2 534 169	14.4%	2 327 706	-8.1%	2 889 090	24.1%	3 065 929	6.1%
Packaging	281 882	260 673	-7.5%	256 443	-1.6%	264 036	3.0%	256 744	-2.8%
Structural Metal	782 313	986 215	26.1%	895 524	-9.2%	1 117 162	24.7%	1 138 192	1.9%
Tube & Pipe	396 851	528 826	33.3%	438 502	-17.1%	606 919	38.4%	601 701	-0.9%
Plate & Sheet metal works	355 889	434 851	22.2%	420 407	-3.3%	456 370	8.6%	471 941	3.4%
Roofing & Cold forming	29 572	22 538	-23.8%	36 616	62.5%	53 873	47.1%	64 550	19.8%
Agricultural	41 301	38 555	-6.6%	33 048	-14.3%	44 061	33.3%	57 091	29.6%
Automotive	237 264	314 152	32.4%	290 375	-7.6%	362 006	24.7%	349 464	-3.5%
Electrical apparatus/white goods	54 535	49 481	-9.3%	47 294	-4.4%	66 199	40.0%	74 500	12.5%
Cables, wire products & gates	617 237	647 089	4.8%	588 843	-9.0%	713 227	21.1%	711 286	-0.3%
Fasteners	49 321	57 113	15.8%	50 576	-11.4%	67 205	32.9%	75 643	12.6%
Other	152 221	180 891	18.8%	165 603	-8.5%	255 194	54.1%	403 009	57.9%
Building & Construction	863 968	967 913	12.0%	955 102	-1.3%	1 235 743	29.4%	1 422 824	15.1%
Unallocated	565 677	866 075	53.1%	791 714	-8.6%	1 007 569	27.3%	612 352	-39.2%
Total	3 756 327	4 514 553	20.2%	4 238 653	-6.1%	5 343 523	26.1%	5 336 888	-0.1%

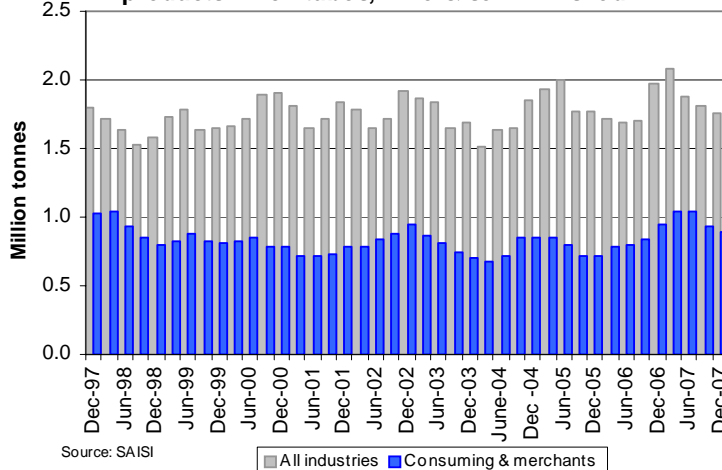
Source: SAISI & ASMSSA

Stocks of primary steel products on hand - end of Dec 2007

Products (metric tons)	June 2007		September 2007		December 2007	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
1 Iron and non-alloy steel	1 678 272	929 077	1 602 594	824 683	1 536 946	792 695
A Semi-finished products	288 538	6 792	217 665	6 772	214 228	6 772
B Total finished products	1 389 734	922 285	1 384 929	817 911	1 322 718	785 923
C Total flat rolled products	900 637	567 749	902 946	510 831	890 832	488 453
i Hot-rolled	539 820	352 938	557 031	305 898	540 423	284 774
ii Cold-rolled	150 556	67 511	148 733	66 998	151 392	66 538
iii Clad, plated or coated	210 261	147 300	197 182	137 935	199 017	137 141
D Total profile products	489 097	354 536	481 983	307 080	431 886	297 470
i Bars and rods	95 176	34 555	105 533	32 318	85 199	27 440
ii Angles and sections	393 921	319 981	376 450	274 762	346 687	270 030
2 Stainless steel products	106 895	27 023	115 849	24 404	128 627	22 918
3 Other alloy steel	2 557	2 557	3 208	3 208	2 723	2 723
4 Other products	93 637	83 972	94 357	83 461	89 939	75 955
i Tubes & pipes	65 407	58 492	63 055	53 638	61 207	48 987
ii Wire	20 010	20 010	24 574	24 574	22 599	22 599
iii Other	8 220	5 470	6 728	5 249	6 133	4 369

Source: SAISI (Not absolute values - factor applied)

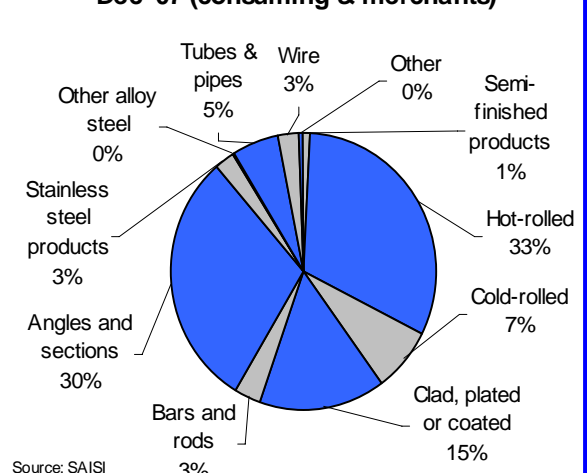
Stocks of primary carbon, alloy & stainless steel products - incl. tubes, wire & semi-finished



Source: SAISI

■ All industries ■ Consuming & merchants

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



Source: SAISI

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