

steelnews



South African
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Institute

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

Domestic carbon steel sales increase by 1,7% during 2008

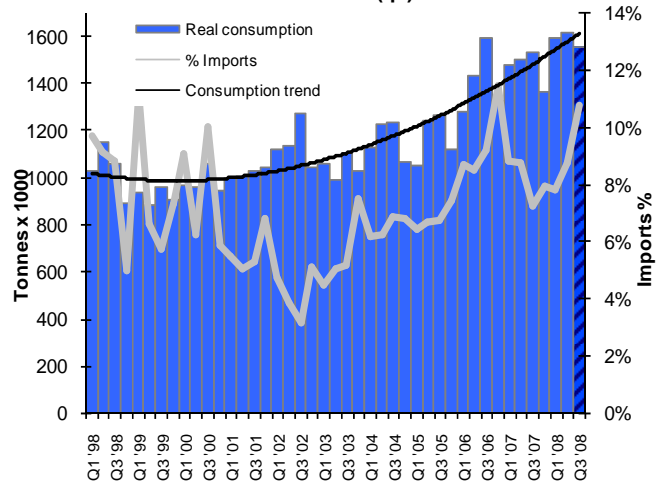
Domestic carbon steel sales totalled 0,886 million tonnes during quarter 4 of 2008, a decrease of 27,1% when compared with the corresponding quarter of 2007.

During 2008 domestic sales of carbon steel flat products increased by 0,4% while domestic sales of profile products increased by 3,0% compared with 2007, resulting in a total increase of 1,7% for this period.

During quarter 4 of 2008 domestic sales of carbon steel products decreased by 42,8% compared with quarter 3 of 2008.

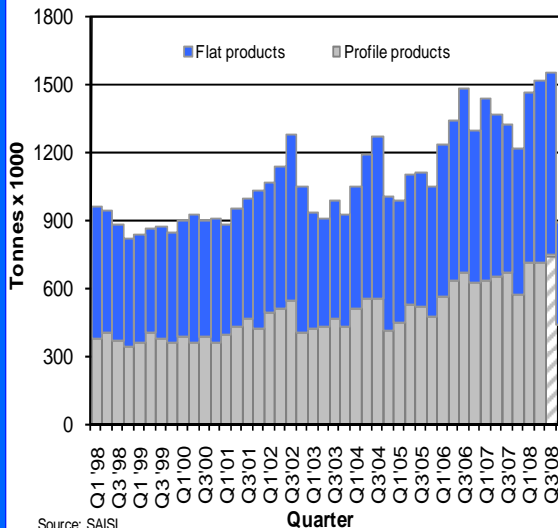
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Real domestic carbon & alloy steel consumption 1998-2008(q3)



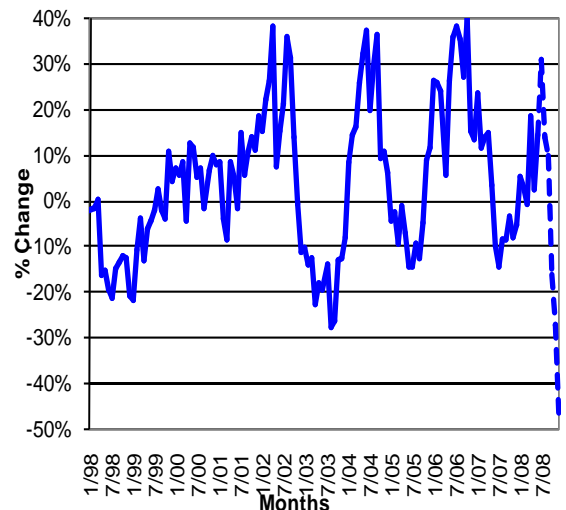
Profile product despatches estimated as from July 2008 - not all data available

Local sales of primary carbon steel products 1998 to q4 2008



Source: SAISI
From July 08 profile sales estimated.

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



Source: SAISI Estimated from July 08 * % Change on corresponding month of previous year



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



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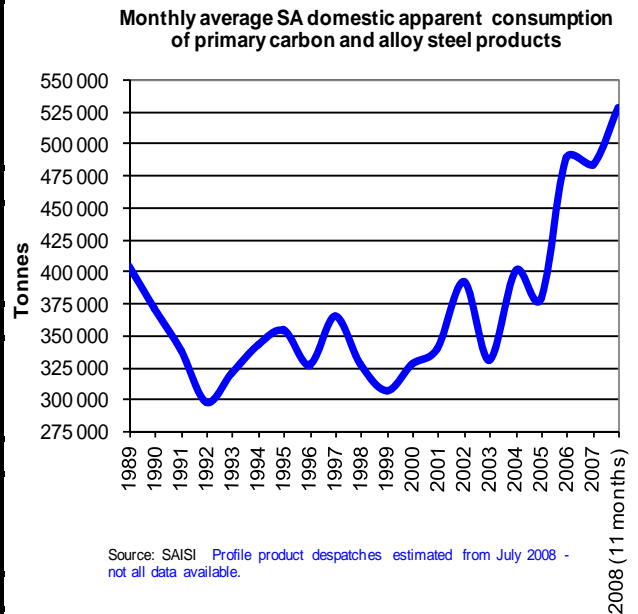
Carbon steel sales increase by 1,7% during 2008

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

(Continued from page 1)

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	254.2	274.2	528.5
MAY	218.6	250.6	469.3	228.8	255.6	484.4	243.8	251.7	495.5
JUNE	217.4	262.5	479.9	213.5	218.3	431.8	215.5	277.1	492.6
Q2	630.1	708.9	1 339.0	651.8	710.9	1 362.6	713.5	803.1	1 516.5
JULY	232.2	260.1	492.3	213.0	207.1	420.1	245.0	303.5	548.5
AUG	222.1	279.7	501.8	233.6	225.0	458.6	262.1	259.2	521.3
SEP	212.7	266.8	479.5	219.2	217.8	437.0	235.6	243.5	479.1
Q3	666.9	806.6	1 473.5	665.8	649.9	1 315.7	742.7	806.2	1 548.9
OCT	247.8	285.8	533.7	243.1	270.8	513.9	213.3	216.0	429.3
NOV	227.6	251.6	479.2	201.3	238.2	439.4	160.9	158.7	319.6
DEC	143.9	132.8	276.7	127.7	134.0	261.8	61.5	75.4	136.9
Q4	619.4	670.2	1 289.6	572.1	643.0	1 215.1	435.7	450.0	885.8
TOTAL	2 475.7	2 861.6	5 337.3	2 522.5	2 803.7	5 326.2	2 599.3	2 815.7	5 415.0

Source: SAISI - As from July 2008, Profile product sales estimated, all data not available



Imports of finished carbon and alloy steel products totalled 9,8% of apparent domestic steel consumption during Q3 2008

Imports of finished carbon and alloy steel products totalled 167 352 tonnes (171 341 tonnes including semis) during Q3 of 2008. This was 9,8% of total apparent domestic carbon & alloy steel consumption, an increase from 8,2% in 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) increased

by 51,5% during Q3 of 2008 compared with the corresponding period of 2007. Imports during the third quarter of 2008 increased by 18,1% compared with imports during the second quarter of 2008.

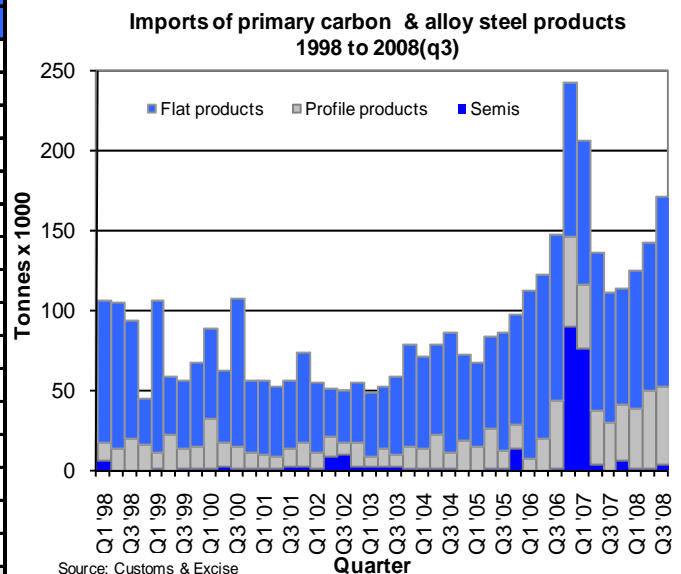
Imports of drawn wire (all grades) amounted to 9 451 tonnes, semis to 3 990 tonnes (excl. stainless) and primary stainless steel products (excluding stainless drawn wire) to 8 194 tonnes during Q3 of 2008.

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

(Continued on page 3)

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	0.4	9.6	34.4	44.4
Q1	75.7	39.9	90.8	206.4	1.1	37.2	87.0	125.3
APRIL	0.2	8.9	33.3	42.4	0.5	6.7	25.0	32.2
MAY	3.8	14.9	39.0	57.7	0.3	22.9	39.3	62.5
JUNE	0.1	9.3	26.4	35.8	0.3	18.9	28.8	48.1
Q2	4.1	33.1	98.7	135.9	1.1	48.6	93.1	142.8
JULY	0.2	8.1	22.0	30.3	0.5	23.2	37.0	60.8
AUG	0.3	16.0	30.1	46.4	0.8	7.7	32.9	41.5
SEP	0.0	5.6	28.7	34.3	2.6	17.2	49.2	69.1
Q3	0.6	29.7	80.8	111.0	4.0	48.2	119.2	171.3
OCT	0.2	9.5	23.9	33.6	0.5	16.5	28.5	45.5
NOV	5.2	15.5	28.7	49.4	0.1	14.4	43.0	57.5
DEC	0.3	10.7	20.1	31.1				0.0
Q4	5.7	35.7	72.6	114.1	0.6	30.9	71.5	103.0
TOTAL	86.1	138.4	342.9	567.4	6.7	164.8	370.8	542.4

Source: Customs and Excise



Imports per country of origin

(Continued from page 2)

IMPORTS - South Africa's ten most important steel trading partners in 2007 and 2008 – 11 months (All products including semis, stainless steel and finished wire—HS codes 7206 to 7302 & 7313 - tonnes)

Imports per country of origin. Jan 2007 - Nov 2008 Ten biggest countries of origin - tonnes

Countries	2007	Countries	08 11mths
EU 27	249 731	EU27	252 735
India	88 747	China	129 356
China	80 945	India	56 768
Brazil	71 909	Korea	36 959
Japan	42 289	Malaysia	28 570
Korea	22 050	Japan	19 377
Azerbaijan	20 983	Thailand	16 441
Kazakhstan	18 980	Taiwan	16 361
Turkey	10 319	Turkey	13 291
Russian Fed	7 768	USA	5 768
Total 10 countries	613 721	Total 10 countries	575 628
Total imports	644 998	Total imports	603 738
10 Countries/ total	95.2%	10 Countries/ total	95.3%
Other	31 277	Other	28 111

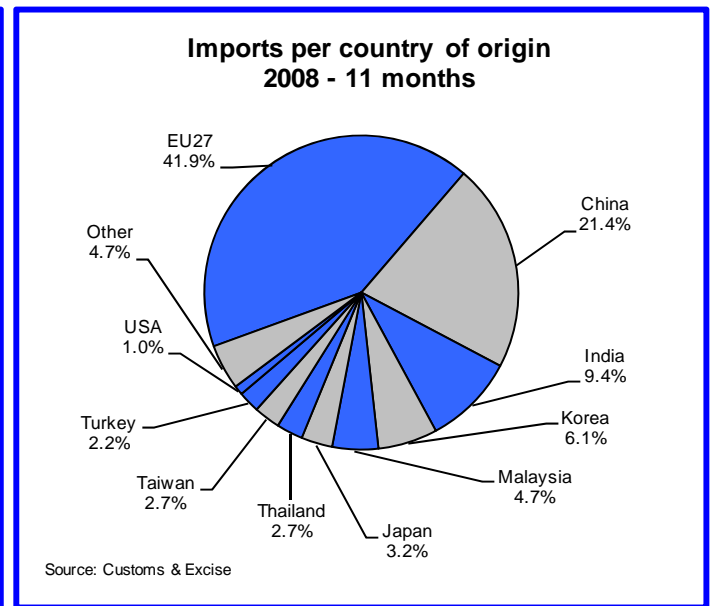
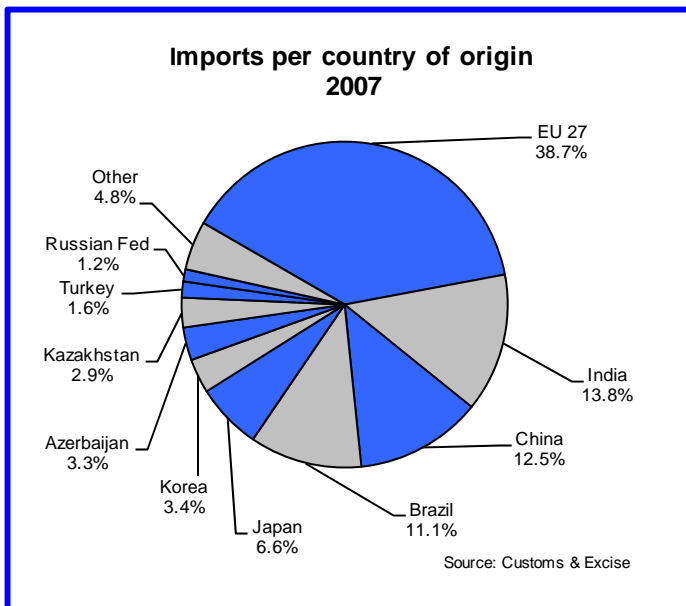
Source: Customs & Excise

HS codes 7206 - 7302 +7313

During the first eleven months of 2008 imports from the EU 27 consisted mostly (24%) of rails or 98% of the total 61 920 tonnes of rails imported into South Africa during this period. Alloy steel hot-rolled coil & sheet to the volume of 51 654 tonnes were imported from the EU27 during the first eleven months of 2008 or 80% of all alloy steel hot-rolled coil & sheet imports into South Africa during this period. Carbon steel hot-dipped galvanised sheet to the volume of 25 283 tonnes were imported from the EU27 during the first eleven months of 2008.

Imports from China consisted mostly (18%) of carbon steel hot-rolled coil & sheet to the volume of 23 660 tonnes during the first eleven months of 2008. Re-enforcing bar to the volume of 15 369 tonnes were imported from China or 62% of all re-enforcing bar imports into South Africa during the first eleven months of 2008.

Imports from India consisted mostly (36%) of carbon steel hot-dipped galvanised coil & sheet during the first eleven months of 2008 or 39% of all hot-dipped galvanised coil & sheet imports into South Africa during this period.



Exports of carbon steel products as reported by South African producers decreased by 43,6% during 2008

Exports of primary carbon steel products, reported by South African primary steel manufacturers, totalled 1.120 million tonnes during 2008, a decrease of 43,6% over 2007. During the fourth quarter of 2008, carbon steel exports decreased by 15,1% compared with the third quarter of 2008. During the fourth quarter of 2008 profile product exports increased by 24,1% compared with the third quarter of 2008 while exports of flat products recorded a decrease of 21,6% during the same period.

During 2008, exports of flat carbon steel products amounted to 80,2% of total exports and exports of profile carbon steel products to 19,8% of total exports.

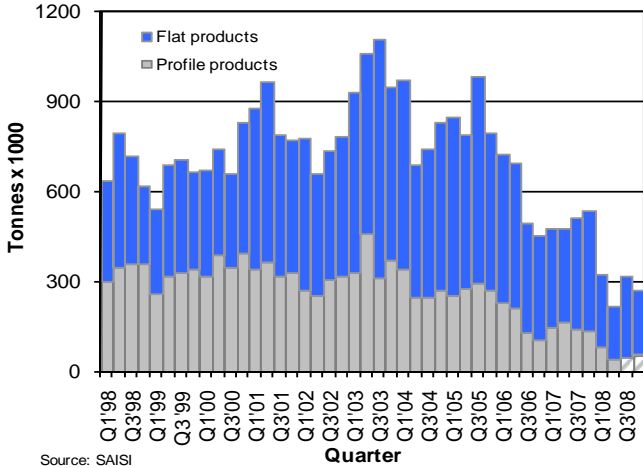
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Exports decreased by 43,6% in 2008

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

Exports of primary carbon steel products 1998 to q4 2008

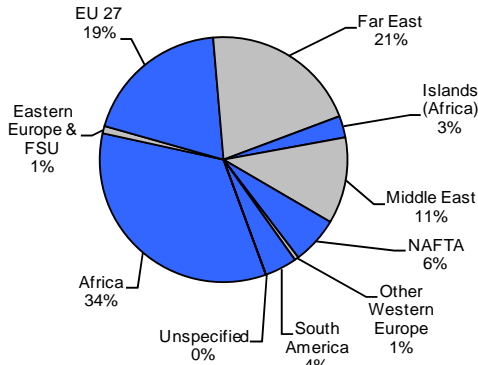


Source: SAISI
From July 08 profile sales estimated.

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	19.1	82.0	101.1
MAY	77.3	162.8	240.0	65.8	117.5	183.3	12.8	52.5	65.3
JUNE	67.1	141.0	208.1	44.5	101.6	146.1	8.9	42.0	50.9
Q2	206.9	484.9	691.8	163.9	311.0	474.9	40.8	176.5	217.3
JULY	48.2	163.1	211.2	38.8	118.1	156.9	15.8	105.5	121.3
AUG	35.2	83.6	118.8	47.6	139.7	187.3	11.6	67.8	79.4
SEP	44.4	115.7	160.1	50.0	112.8	162.8	17.3	95.6	112.9
Q3	127.8	362.3	490.1	136.4	370.6	506.9	44.7	268.9	313.6
OCT	44.4	152.2	196.6	41.4	159.5	201.0	20.0	69.8	89.8
NOV	36.7	101.6	138.3	42.1	149.4	191.4	20.4	59.7	80.1
DEC	22.0	92.9	114.9	51.2	87.9	139.1	15.1	81.2	96.3
Q4	103.1	346.6	449.8	134.7	396.7	531.4	55.5	210.8	266.2
TOTAL	665.1	1 685.9	2 351.0	577.8	1 409.4	1 987.2	221.9	898.5	1 120.4

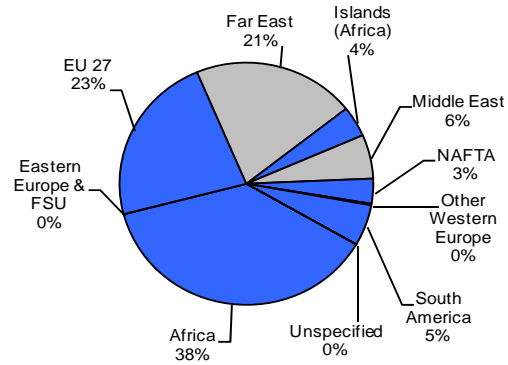
Source: SAISI - As from July 2008, Profile product sales estimated, all data not available

Exports per region of destination 2007



Source: Customs & Excise

Exports per region of destination 2008 - 11 months



Source: Customs & Excise

Carbon steel sales to industrial groups during Q3 of 2008

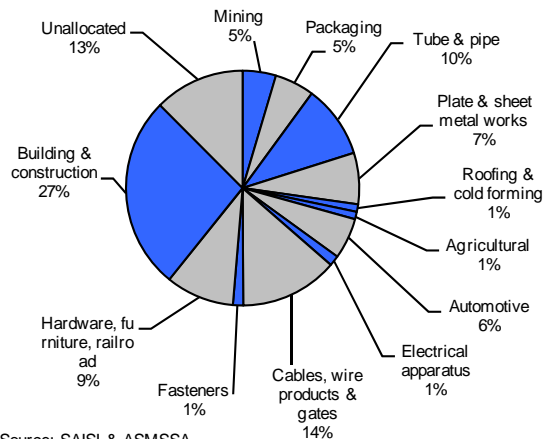
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Sales of primary carbon steel products to industrial groups

Metric tons	Q3 2008*		
	Profile	Flat	Total
1 Mining	31 469	40 039	71 508
2 Total Manufacturing	295 250	575 015	870 265
Packaging	252	84 648	84 900
Structural Metal	3 910	277 258	281 168
Tube & pipe	1 583	154 122	155 705
Plate & sheet metal works	2 327	107 145	109 472
Roofing & cold forming	0	15 991	15 991
Agricultural	15 494	320	15 814
Automotive	11 487	76 019	87 506
Electrical apparatus	127	22 126	22 253
Cables, wire products & gates	205 475	4 379	209 854
Fasteners	21 946	117	22 063
Other: Hardware, furniture, rail	36 559	110 148	146 707
3 Building & construction	323 620	89 328	412 948
4 Unallocated	92 096	101 837	193 933
5 Total	742 435	806 219	1 548 654

Source: SAISI & ASMSSA * Estimated from Q2 2008

Sales of primary carbon steel products to industrial groups Q3 2008 - (Estimated)



Source: SAISI & ASMSSA

Carbon steel sales to industrial groups

(Continued from page 4)

Sales of primary carbon steel products to industrial groups											
Metric tons	2004	2004/2003	2005	2005/2004	2006	2006/2005	2007	2007/2006	9m 2007	9m 2008	9m'08/9m'07
Mining	146 396	32.4%	164 132	12.1%	211 121	28.6%	235 783	11.7%	179 711	197 717	10.0%
Manufacturing	2 534 169	14.4%	2 327 706	-8.1%	2 889 090	24.1%	3 065 929	6.1%	2 373 079	2 529 873	6.6%
Packaging	260 673	-7.5%	256 443	-1.6%	264 036	3.0%	256 744	-2.8%	193 792	190 088	-1.9%
Structural Metal	986 215	26.1%	895 524	-9.2%	1 117 162	24.7%	1 138 192	1.9%	876 791	904 920	3.2%
Tube & Pipe	528 826	33.3%	438 502	-17.1%	606 919	38.4%	601 701	-0.9%	475 512	476 333	0.2%
Plate & Sheet metal works	434 851	22.2%	420 407	-3.3%	456 370	8.6%	471 941	3.4%	355 015	377 309	6.3%
Roofing & Cold forming	22 538	-23.8%	36 616	62.5%	53 873	47.1%	64 550	19.8%	46 264	51 278	10.8%
Agricultural	38 555	-6.6%	33 048	-14.3%	44 061	33.3%	57 091	29.6%	45 201	49 044	8.5%
Automotive	314 152	32.4%	290 375	-7.6%	362 006	24.7%	349 464	-3.5%	286 528	257 829	-10.0%
Electrical apparatus/white goods	49 481	-9.3%	47 294	-4.4%	66 199	40.0%	74 500	12.5%	49 398	60 075	21.6%
Cables, wire products & gates	647 089	4.8%	588 843	-9.0%	713 227	21.1%	711 286	-0.3%	554 538	599 473	8.1%
Fasteners	57 113	15.8%	50 576	-11.4%	67 205	32.9%	75 643	12.6%	58 635	62 310	6.3%
Other	180 891	18.8%	165 603	-8.5%	255 194	54.1%	403 009	57.9%	308 196	406 134	31.8%
Building & Construction	967 913	12.0%	955 102	-1.3%	1 235 743	29.4%	1 422 824	15.1%	1 100 576	1 220 352	10.9%
Unallocated	866 075	53.1%	791 714	-8.6%	1 007 569	27.3%	612 352	-39.2%	466 054	584 503	25.4%
Total	4 514 553	20.2%	4 238 653	-6.1%	5 343 523	26.1%	5 336 888	-0.1%	4 119 420	4 532 445	10.0%

Source: SAISI & ASMSSA Estimated from Q2 2008

Stocks of primary steel products on hand - end of Sept '08

Products (metric tons)	March 2008		June 2008		September 2008	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
1 Iron and non-alloy steel	1 488 708	781 377	1 582 345	824 206	1 845 538	982 689
A Semi-finished products	309 654	8 279	306 741	8 228	410 974	8 383
B Total finished products	1 179 054	773 098	1 275 553	815 927	1 434 668	974 410
C Total flat rolled products	761 097	472 210	840 266	509 533	939 566	589 119
i Hot-rolled	450 342	296 134	517 437	325 760	580 730	378 814
ii Cold-rolled	135 259	52 850	144 072	50 178	145 075	60 350
iii Clad, plated or coated	175 496	123 226	178 757	133 595	213 761	149 955
D Total profile products	417 957	300 888	435 287	306 394	495 102	385 291
i Bars and rods	69 607	29 509	93 280	30 085	77 184	41 969
ii Angles and sections	348 350	271 379	342 007	276 309	417 918	343 322
2 Stainless steel products	108 346	23 284	106 547	24 567	98 080	29 777
3 Other alloy steel	3 002	3 002	2 966	2 966	3 543	3 543
4 Other products	83 644	67 877	102 050	91 514	110 853	98 042
i Tubes & pipes	55 308	42 648	61 021	52 502	65 620	54 057
ii Wire	19 496	19 496	33 180	33 180	38 235	38 235
iii Other	8 840	5 733	7 849	5 832	6 998	5 750

Source: SAISI (Not absolute values - factor applied) *Primary & consuming industries and merchants **Consuming industries & merchants
From June 2008 estimated for "All industries", all data not available.

