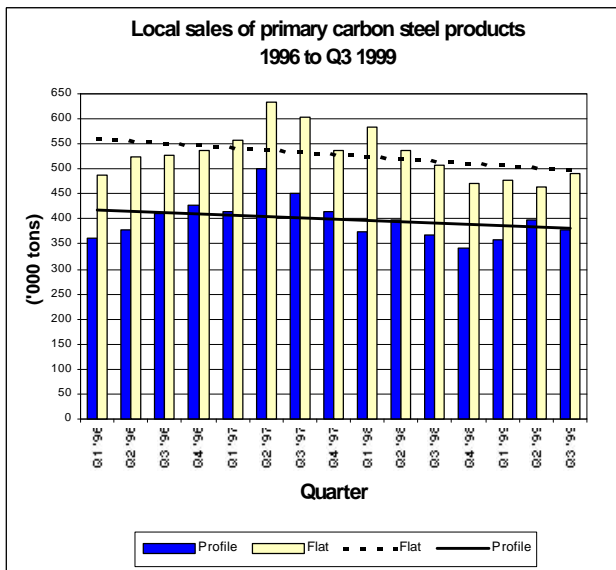


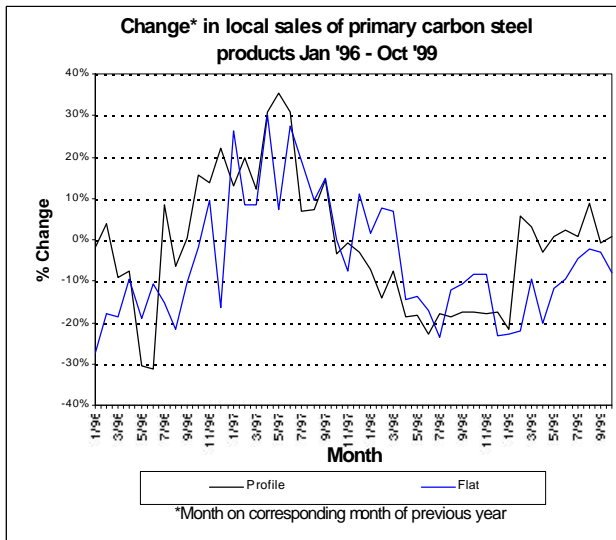


LOCAL SALES OF PROFILE STEEL PRODUCTS SHOW IMPROVEMENT

Although domestic sales of flat products declined by 2,7% during the second quarter of 1999, the sales of profile products to the domestic market increased by 11,1%. The sales of profile products during the second quarter of 1999 returned to the same level of sales achieved during the second quarter of 1998.



The domestic economy continues to perform well below potential after three years of slowing. The economic growth rate in the second quarter of 1999 managed only the same growth rate as in the second quarter of 1998. Real GDP is still expected not to be more than 1% for 1999 as a whole, notwithstanding the mild acceleration in growth momentum foreseen during the second half of 1999. The rapid decline in interest rates has, however, positioned the economy for a



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Comments on the contents and contributions for future editions are welcomed and should be sent to the Editor.

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Total local sales of primary carbon steel products-Jan.1998 to August 1999 ('000 tons)

MONTH	1998			1999		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	119.7	208.9	328.6	93.8	161.1	254.9
FEB	123.9	192.7	316.6	131.0	150.4	281.4
MAR	130.0	182.4	312.4	134.2	164.7	298.9
Q1	373.6	584.0	957.6	359.0	476.2	835.2
APRIL	131.0	180.9	311.9	126.9	144.3	271.2
MAY	135.6	177.0	312.6	136.7	156.2	292.9
JUNE	132.4	180.0	312.4	135.2	162.7	297.9
Q2	399.0	537.9	936.9	398.8	463.2	862.0
JULY	120.3	166.4	286.7	121.4	158.9	280.3
AUG	117.3	163.1	280.4	127.8	159.2	287.0
SEP	131.2	178.6	309.8	130.2	173.0	303.2
Q3	368.8	508.1	876.9	379.4	491.1	870.5
OCT	134.2	188.2	322.4	135.3	173.5	308.8
NOV	132.0	166.1	298.1			0.0
DEC	76.3	115.9	192.2			0.0
Q4	342.5	470.2	812.7	135.3	173.5	308.8
TOTAL	1 483.9	2 100.2	3 584.1	1 272.5	1 604.0	2 876.5

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moderately strong economic upswing and a growth rate of at least 2,5% is expected in 2000.

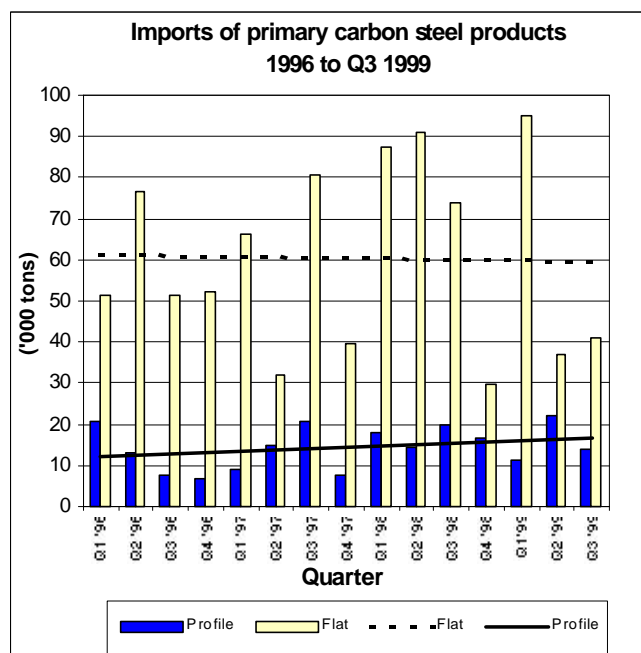
Domestic steel sales are expected to regain stability or at best increase marginally during the second half of 1999. Any improvement in domestic steel sales during this period could be contributed, to a large extent, to the rebuilding of very low steel stock levels at consumers and in particular at merchants.

DRAMATIC DECLINE IN STEEL IMPORTS FROM RECORD HIGH FIRST QUARTER LEVEL

According to statistics from Customs and Excise, imports of primary carbon steel products (exc. wire, incl. rails) decreased substantially by 44,9% during the second quarter of 1999, compared with the record high level during the first quarter of 1999. The import level for the first half of 1999 is also 21,8% lower than the first half of 1998.

The imports of profile products increased by 92,9% during the second quarter of 1999 compared with the first quarter of 1999 and by 53,5% compared with the second quarter of 1998. However, imports of flat products decreased sharply. Compared with the first quarter of 1999, flat product imports during the second quarter of 1999 decreased by 61,3%. The import level for flat products during the first half of 1999 is also 37,5% lower than the first half of 1998. The imports of hot-rolled plates, sheets and coils declined by 84,5% during the second quarter of 1999 compared with the first quarter of 1999.

Imports as a percentage of local despatches decreased to 9,7% during the first half of 1999, compared with 11,1% during the first half of 1998. The decrease in the first half of 1999 was because of a rapid decrease in flat product imports. As a result of the rapid decrease in imports, exports were 13,4 times more than imports during the first half of 1999, against an average of 7,9 times for 1998 as a whole.



Imports of primary carbon steel products - Jan. 1998 to August 1999 ('000 tons)

MONTH	1998			1999		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	12.6	27.8	40.4	3.6	27.0	30.6
FEB	3.0	47.1	50.1	3.6	27.3	30.9
MAR	2.5	12.5	15.0	4.1	40.6	44.7
Q1	18.1	87.4	105.5	11.3	94.9	106.2
APRIL	5.6	54.7	60.3	9.1	13.7	22.8
MAY	5.6	10.1	15.7	8.8	9.5	18.3
JUNE	3.1	26.3	29.4	3.9	13.6	17.5
Q2	14.2	91.1	105.3	21.8	36.8	58.6
JULY	8.2	26.8	35.0	3.2	12.3	15.5
AUG	4.1	28.6	32.6			0.0
SEP	7.5	18.5	67.7			15.5
Q3	19.7	73.9	93.7	3.2	12.3	15.5
OCT	4.4	14.9	19.3			0.0
NOV	5.8	9.0	14.8			0.0
DEC	6.5	5.9	34.2			0.0
Q4	16.7	29.8	46.5	0.0	0.0	0.0
TOTAL	68.8	282.3	351.0	36.3	144.0	180.3

South Africa's ten most important steel trading partners in 1998 and 1999 (7 months) Imports ('000 tons) (All products incl. stainless and finished wire)

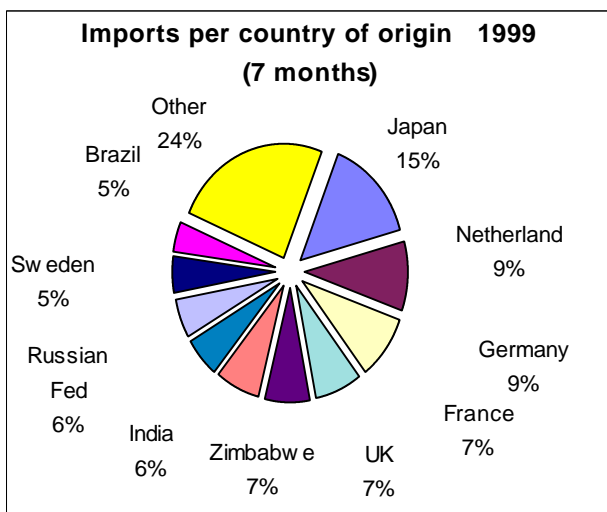
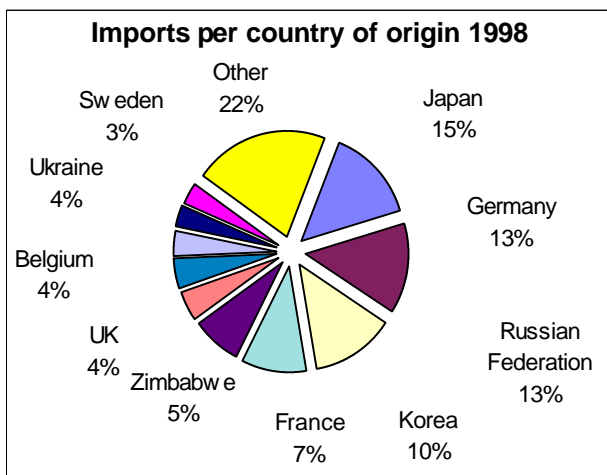
Countries	1998	Countries	1999(7 months)
Japan	56168	Japan	29969
Germany	51708	Netherlands	19040
Russian Federation	50727	Germany	17984
Korea	38383	France	14620
France	28381	UK	14077
Zimbabwe	19298	Zimbabwe	13941
UK	17329	India	11442
Belgium	14489	Russian Fed	11219
Ukraine	14294	Sweden	10586
Sweden	12391	Brazil	9440
Total 10 countries	303188	Total 10 countries	152318
Total imports	387234	Total imports	202724
10 Countries/total	78.3%	10 Countries/total	75.1%

Source: Customs and Excise

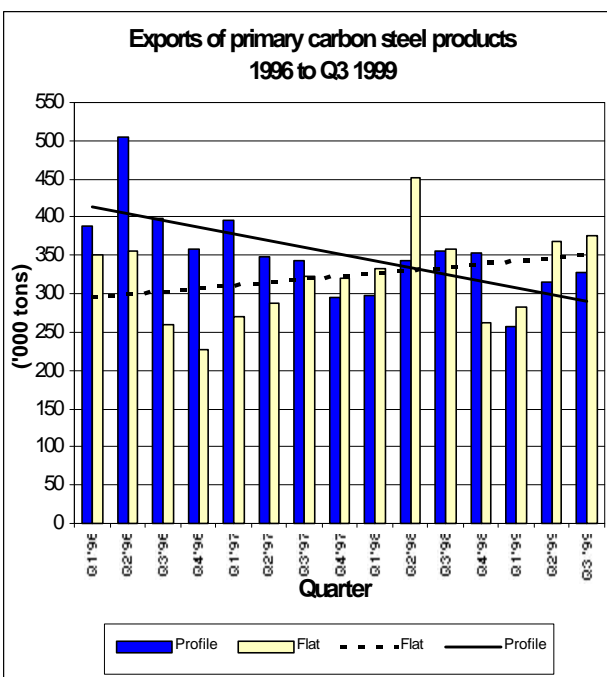
Apart from 18 600 tons of hot-rolled flat products imported from the Netherlands during the first quarter of 1999, a negligible amount of steel was since imported from the Netherlands. Only about 1 860 tons of hot-rolled flat products were imported from Brazil up to July 1999 since the almost 6 780 tons that were imported during the first quarter of 1999.

Imports from Japan reached almost 30 000 tons during the first 7 months of 1999, with approximately 55% of total imports from Japan consisting of hot-rolled flat products.

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EXPORTS RECOVER DURING SECOND QUARTER 1999 IN LINE WITH WORLD MARKET STABILISATION



Exports of primary carbon steel products, as reported by the members of SAI SI, showed a decline of 13,6% during the second quarter of 1999 compared with the second quarter of 1998. However, exports of primary carbon steel products during the second quarter of 1999 increased by 27,1% compared with the first quarter of 1999.

Exports of flat products increased by 30,6% from the first to the second quarter of 1999 and by 40,3% from the very low level in the fourth quarter of 1998. Exports of profile products managed to recover from the slump during the first quarter of 1999 and improved by 23,2% in the second quarter of 1999 compared with the first quarter of 1999.

Exports of primary carbon steel products re-reported by the primary steel producers - Jan. 1998 to August 1999 ('000 tons)

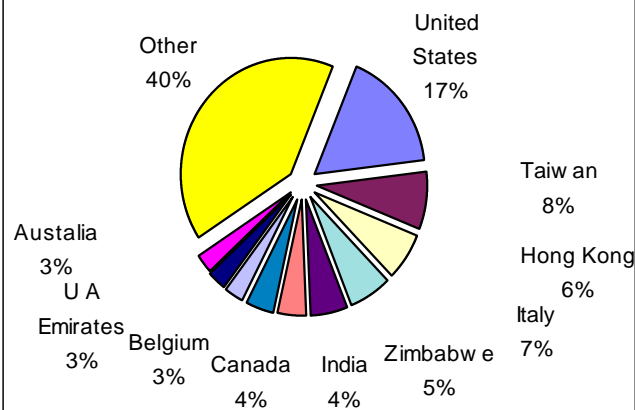
MONTH	1998			1999		
	PROF	FLAT	TOTAL	PROF	FLAT	TOTAL
JAN	76.2	110.7	186.9	77.9	80.5	158.4
FEB	133.8	106.3	240.1	84.7	96.8	181.5
MAR	87.7	115.2	202.9	94.0	105.6	199.6
Q1	297.7	332.2	629.9	256.6	282.9	539.5
APRIL	103.4	137.5	240.9	97.4	107.8	205.2
MAY	102.5	156.4	258.9	112.0	123.0	235.0
JUNE	137.0	156.9	294.0	106.7	138.8	245.5
Q2	342.9	450.8	793.8	316.1	369.6	685.7
JULY	104.3	122.0	226.3	105.8	109.0	214.8
AUG	157.9	118.2	276.1	113.0	151.3	264.3
SEP	93.3	117.4	210.7			0.0
Q3	355.5	357.6	713.1	218.8	260.3	479.1
OCT	150.5	103.6	254.1			0.0
NOV	106.4	79.8	186.2			0.0
DEC	97.0	80.1	177.1			0.0
Q4	353.9	263.5	617.4	0.0	0.0	0.0
TOTAL	1 350.0	1 404.1	2 754.2	791.5	912.8	1 704.3

South Africa's ten most important steel trading partners in 1998 and 1999 (7 months)
Exports ('000 tons)
(All products incl. stainless and finished wire)

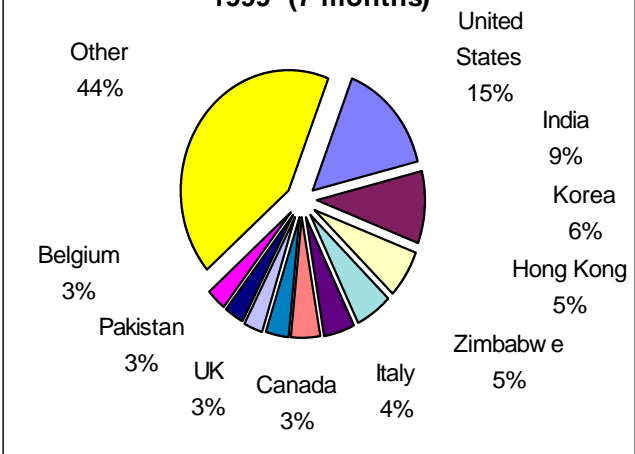
Countries	1998	Countries	1999(7 months)
United States	600.9	United States	300.9
Taiwan	285.3	India	183.3
Italy	237.9	Korea	127.0
Hong Kong	212.2	Hong Kong	104.6
Zimbabwe	192.9	Zimbabwe	94.3
India	149.2	Italy	83.5
Canada	138.3	Canada	64.6
Belgium	100.1	UK	58.0
UAE/Emirates	99.0	Pakistan	57.9
Australia	95.8	Belgium	57.3
Total 10 countries	2 111.6	Total 10 countries	1131.301
Total exports	3 566.3	Total exports	1 989.4
10 Countries/total	59.2%	10 Countries/total	56.9%

Source: Customs and Excise

Exports per country of destination 1998



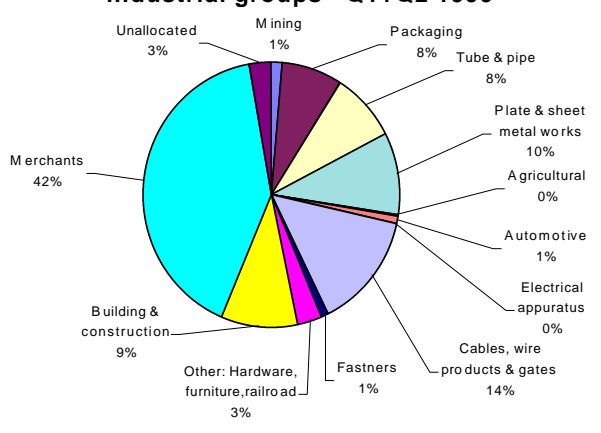
Exports per country of destination 1999 (7 months)



SALES TO INDUSTRIAL GROUPS FIRST AND SECOND QUARTERS 1999

Sales of primary steel products to industrial groups				
Sales in tonnes				
	1999			
	Profile	Flat	Total	
1 Mining	18 419	5 635	24 054	
2 Manufacturing	301 991	471 191	773 182	
Packaging	0	130 624	130 624	
Structural Metal	2 970	312 923	315 893	
Tube & pipe	984	141 653	142 637	
Plate & sheet metal works	1 986	171 270	173 256	
Agricultural	2 691	546	3 237	
Automotive	8 126	4 636	12 762	
Electrical apparatus	0	3 482	3 482	
Cables, wire products & gates	233 150	4 562	237 712	
Fastners	18 045	0	18 045	
Other: Hardware, furniture,railroad	37 009	14 418	51 427	
3 Building & construction	134 817	24 092	158 909	
4 Merchants	266 109	433 662	699 771	
5 Unallocated	41 840	7 276	49 116	
6 Total	763 176	941 856	1 705 032	

Sales of primary steel products to industrial groups - Q1+Q2 1999



Sales of primary steel products to industrial groups Percentage of despatches

	1999		
	Profile	Flat	Total
1 Mining	76.6%	23.4%	1.4%
2 Manufacturing	39.1%	60.9%	45.3%
Packaging	0.0%	100.0%	7.7%
Structural Metal	0.9%	99.1%	18.5%
Tube & pipe	0.7%	99.3%	8.4%
Plate & sheet metal works	1.1%	98.9%	10.2%
Agricultural	83.1%	16.9%	0.2%
Automotive	63.7%	36.3%	0.7%
Electrical apparatus	0.0%	100.0%	0.2%
Cables, wire products & gates	98.1%	1.9%	13.9%
Fastners	100.0%	0.0%	1.1%
Other: Hardware, furniture,railroad	72.0%	28.0%	3.0%
3 Building & construction	84.8%	15.2%	9.3%
4 Merchants	38.0%	62.0%	41.0%
5 Unallocated	85.2%	14.8%	2.9%
6 Total	44.8%	55.2%	100.0%

SOUTH AFRICAN STEEL INDUSTRY URGES REVIEW OF WTO DUMPING RULES TO AVOID CURRENT MISUSE

The South African steel industry will request the World Trade Organisation (WTO), through the Department of Trade and Industry, to review article 6, which relates specifically to the issue of dumping, of the General Agreement of Tariffs and Trade (GATT), and particularly its use by the United States, at the third ministerial conference in Seattle during November 1999. This conference will be used to draw up the agenda for the next round of WTO negotiations.

The SA steel industry is also strongly opposed to some of the measures of the recently disclosed "US Steel Action Plan" engineered to support the embattled US steel industry. It appears as if the US is using antidumping regulations as an instrument of protection, as opposed to using the legislation to avoid material injury to its own industry as stipulated by the World Trade Organisation.