

# steelnews



South African  
Iron and Steel  
Institute

Quarter 1 of 2007

Issue 36

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

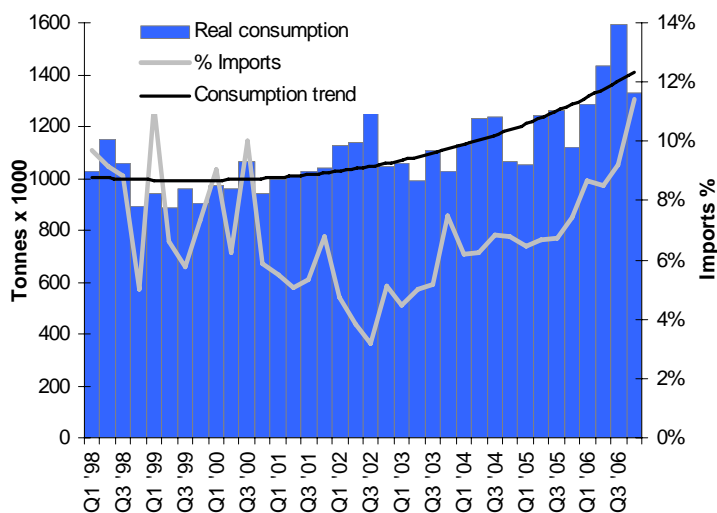
## Domestic carbon steel sales increased by 16,0% during quarter 1 of 2007

Domestic carbon steel sales totalled 1,433 million tonnes during quarter 1 of 2007, an increase of 16,1% when compared with the corresponding quarter of 2006.

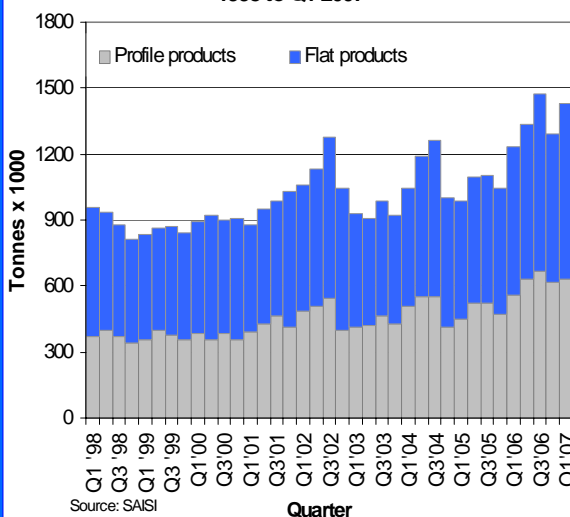
As reported in "Steelflash" dated 18 January 2006, domestic carbon steel sales totalled 5,337 million tonnes during 2006, an increase of 26,2% when compared with 2005.

During quarter 1 of 2007 sales of carbon steel flat products increased by 18,4% while sales of profile products increased by 13,1% compared with Q1 2006. (Continued on page 2)

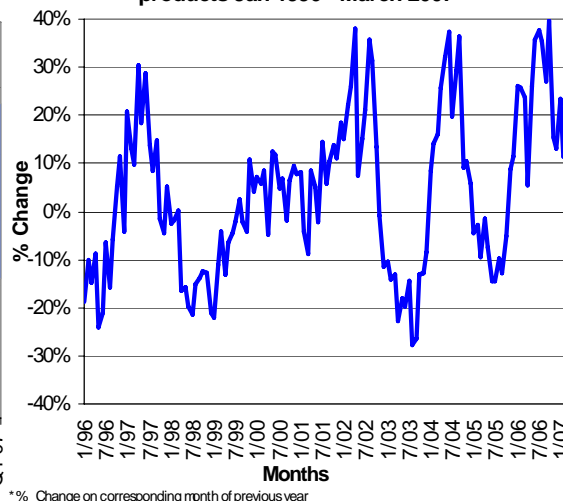
Real domestic carbon & alloy steel consumption



Local sales of primary carbon steel products 1998 to Q1 2007



Change\* in local sales of primary carbon steel products Jan 1996 - March 2007



Source: SAISI

\*% Change on corresponding month of previous year

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# Steel sales increased by 16,0% during Q1 2007

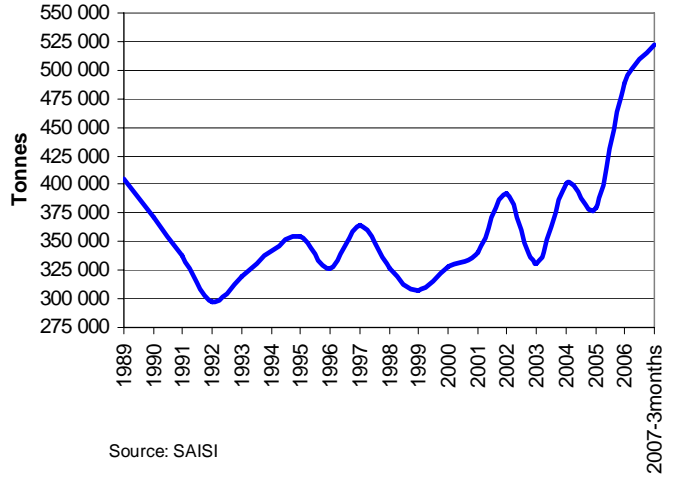
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Total local sales of primary carbon steel products - 2005 to March 2007 ('000 tonnes)

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>1235.1</b>	<b>632.8</b>	<b>800.0</b>	<b>1432.8</b>
APRIL	174.6	194.7	369.3	194.1	195.8	389.9			
MAY	173.1	199.4	372.4	218.6	250.6	469.3			
JUNE	173.4	180.4	353.9	217.4	262.5	479.9			
<b>Q2</b>	<b>521.1</b>	<b>574.5</b>	<b>1095.6</b>	<b>630.1</b>	<b>708.9</b>	<b>1339.0</b>			
JULY	165.3	192.0	357.3	232.2	260.1	492.3			
AUG	173.3	197.8	371.1	222.1	279.7	501.8			
SEP	182.0	195.0	377.0	212.7	266.8	479.5			
<b>Q3</b>	<b>520.5</b>	<b>584.9</b>	<b>1105.4</b>	<b>666.9</b>	<b>806.6</b>	<b>1473.5</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>1042.3</b>	<b>619.4</b>	<b>670.2</b>	<b>1289.6</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>632.8</b>	<b>800.0</b>	<b>1 432.8</b>

Source: SAISI

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



Source: SAISI

2007-3months

## Imports of finished carbon and alloy steel products totalled 9,1% of apparent domestic steel consumption during 2006

Imports of finished carbon and alloy steel products totalled 531 647 tonnes (624 079 tonnes including semis) in 2006. This was 9,1% of the total apparent domestic carbon & alloy steel consumption, an increase from 7% in 2005. 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 66,5% during 2006 compared with the corresponding period of 2005. Imports during the 4th quarter of 2007 increased by 3,6% compared with imports during the 3rd quarter of 2006.

Imports of drawn wire (all grades) amounted to 50 385 tonnes, semis to 92 432 tonnes and primary stainless steel products (excluding stainless drawn wire) to 39 828 tonnes during 2006.

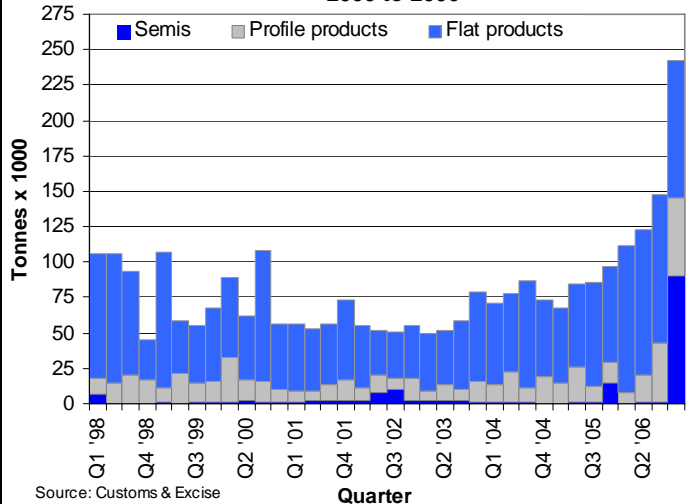
Imports of primary carbon and alloy steel products - 2006 to Feb 2007 ('000 tonnes) - Excl Stainless steel & wire

(Continued on page 3)

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				
<b>Q1</b>	<b>0.4</b>	<b>6.9</b>	<b>104.6</b>	<b>112.0</b>	<b>54.8</b>	<b>34.4</b>	<b>53.6</b>	<b>142.9</b>
APRIL	0.4	2.2	45.4	48.0				
MAY	0.1	9.1	34.1	43.2				
JUNE	0.1	8.3	22.9	31.2				
<b>Q2</b>	<b>0.6</b>	<b>19.6</b>	<b>102.3</b>	<b>122.5</b>				
JULY	0.4	17.8	39.7	57.9				
AUG	0.5	17.7	38.9	57.0				
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>				
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>TOTAL</b>	<b>92.4</b>	<b>124.3</b>	<b>407.3</b>	<b>624.1</b>	<b>54.8</b>	<b>34.4</b>	<b>53.6</b>	<b>142.9</b>

Source: Customs and Excise

Imports of primary carbon & alloy steel products 2000 to 2006



Source: Customs & Excise

# Imports per country of origin

(Continued from page 2)

## IMPORTS - South Africa's ten most important steel trading partners in 2005 and 2006 (All products including semis, stainless steel and finished wire—HS codes 7206 to 7302 - tonnes)

### Imports per country of origin Ten biggest countries of origin - tonnes

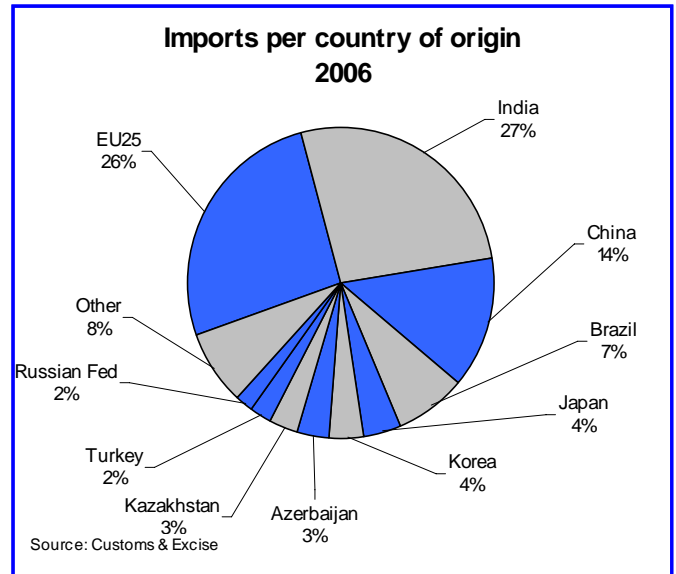
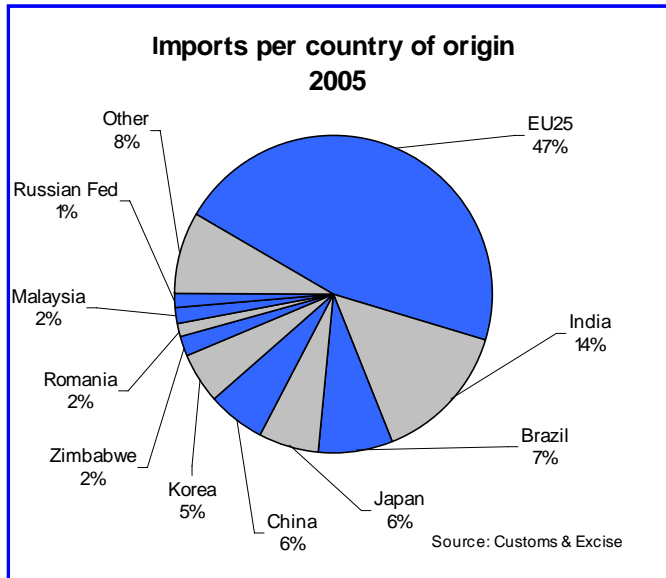
Countries	2005	Countries	2006
EU25	183 879	India	189 841
India	56 907	EU25	188 388
Brazil	29 418	China	97 940
Japan	24 293	Brazil	53 180
China	23 447	Japan	26 789
Korea	21 377	Korea	26 067
Zimbabwe	6 814	Azerbaijan	24 425
Romania	6 545	Kazakhstan	21 459
Malaysia	6 123	Turkey	16 364
Russian Fed	5 559	Russian Fed	12 540
Total 10 countries	364 363	Total 10 countries	656 994
<b>Total imports</b>	<b>397 456</b>	<b>Total imports</b>	<b>713 335</b>
10 Countries/ total	91.7%	10 Countries/ total	92.1%
Other	33 093	Other	56 342

Source: Customs & Excise

During 2006 imports from India consisted mostly (48%) of carbon steel hot-dipped galvanised coil & sheet, representing 75% of the 122 726 tonnes of carbon steel hot-dipped galvanised coil & sheet imported into South Africa during this period. Imports of carbon steel cold-rolled coil & sheet from India amounted to 24 362 tonnes or 42% of total South African imports of carbon steel cold-rolled sheet & coil during 2006. Imports of carbon steel hot-rolled coil & sheet from India amounted to 22 453 tonnes or 47% of total South African imports of carbon steel hot-rolled sheet & coil during 2006.

Imports from China consisted mostly (31%) of carbon steel reinforcing bar amounting to 30 340 tonnes, representing 85% of all reinforcing bar imports into South Africa. Imports from Brazil consisted mostly (84%) of slabs. Imports from Azerbaijan and Kazakhstan consisted almost exclusively of slabs.

Imports from Korea consisted mostly (27%) of painted or aluminium-zinc coated coils/sheets during 2006.



## Exports of carbon steel products as reported by South African producers decreased by 34,1% during quarter 1 of 2007

Exports of primary carbon steel products, reported by South African primary steel manufacturers, totalled 0.474 million tonnes during quarter 1 of 2007, a decrease of 34,1% over the corresponding period in 2006. During the first quarter of 2007, carbon steel exports increased by 0,2% compared with the fourth quarter of 2006. During the first quarter of 2007 flat product exports decreased by 4,5% compared with the fourth quarter of 2006 while exports of profile products recorded an increase of 38,5% during the same period.

During the first quarter of 2007, exports of flat carbon steel products amounted to 69,9% of total exports and exports of profile carbon steel products to 30,1% of total exports.  
(Continued on page 4)

# Exports decreased by 34,1% during Q 1 of 2007

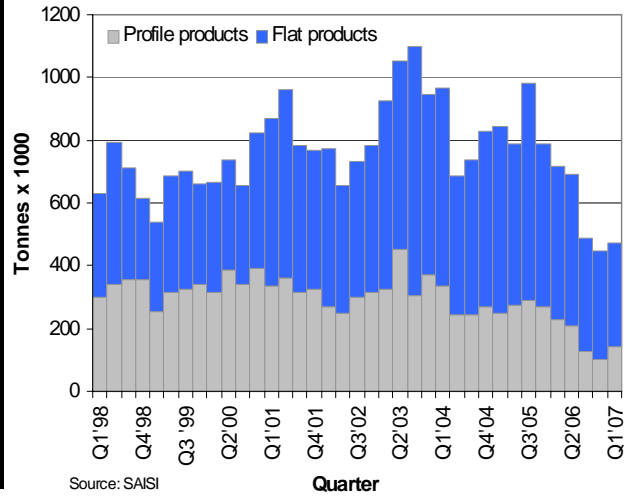
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Exports of primary carbon steel products reported by the primary steel producers - 2005 to March 2007 ('000 tonnes)

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
<b>Q1</b>	<b>251.1</b>	<b>591.1</b>	<b>842.2</b>	<b>227.3</b>	<b>492.0</b>	<b>719.3</b>	<b>142.8</b>	<b>331.1</b>	<b>473.9</b>
APRIL	135.1	167.3	302.4	62.5	181.2	243.7			
MAY	82.9	181.8	264.7	77.3	162.8	240.0			
JUNE	55.0	163.6	218.6	67.1	141.0	208.1			
<b>Q2</b>	<b>273.1</b>	<b>512.7</b>	<b>785.7</b>	<b>206.9</b>	<b>484.9</b>	<b>691.8</b>			
JULY	90.8	215.1	306.0	48.2	163.1	211.2			
AUG	97.6	244.9	342.6	35.2	83.6	118.8			
SEP	101.1	231.1	332.2	44.4	115.7	160.1			
<b>Q3</b>	<b>289.5</b>	<b>691.2</b>	<b>980.7</b>	<b>127.8</b>	<b>362.3</b>	<b>490.1</b>			
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	138.3			
<b>Q4</b>	<b>269.8</b>	<b>519.2</b>	<b>788.9</b>	<b>103.1</b>	<b>346.6</b>	<b>473.2</b>			
<b>TOTAL</b>	<b>1 083.4</b>	<b>2 314.2</b>	<b>3 397.6</b>	<b>665.1</b>	<b>1 685.9</b>	<b>2 351.0</b>	<b>142.8</b>	<b>331.1</b>	<b>473.9</b>

Source: SAISI

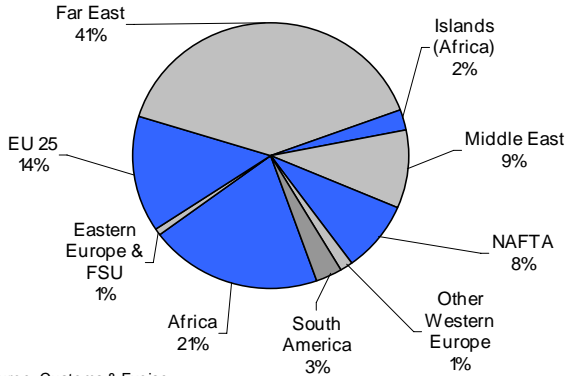
Exports of primary carbon steel products 1998 to Q1 2007



Source: SAISI

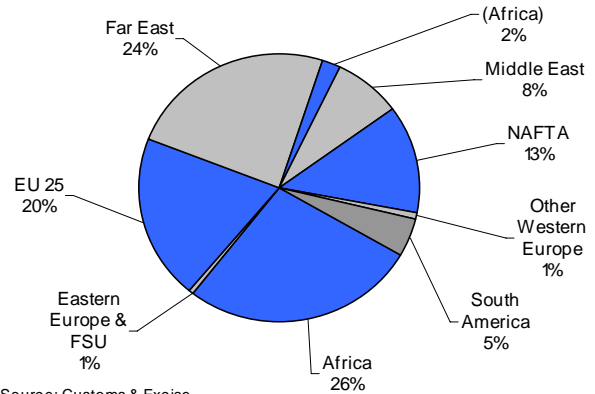
Quarter

Exports per region of destination 2005



Source: Customs & Excise

Exports per region of destination 2006



Source: Customs & Excise

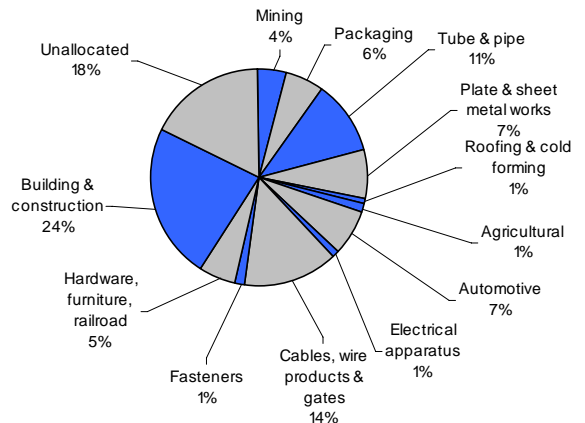
## Carbon steel sales to industrial groups during Q4 of 2006

Sales of primary carbon steel products to industrial groups

Metric tons	Q4 2006		
	Profile	Flat	Total
1 Mining	31 673	25 698	57 371
2 Total Manufacturing	250 239	448 251	698 490
Packaging	198	73 989	74 187
Structural Metal	4 047	241 202	245 249
Tube & pipe	1 262	138 865	140 127
Plate & sheet metal works	2 785	90 732	93 517
Roofing & cold forming	0	11 605	11 605
Agricultural	12 842	111	12 953
Automotive	9 922	77 700	87 622
Electrical apparatus	95	15 618	15 713
Cables, wire products & gates	174 698	3 539	178 237
Fasteners	16 910	139	17 049
Other: Hardware, furniture, rail	31 527	35 953	67 480
3 Building & construction	242 059	63 817	305 876
4 Unallocated	97 685	132 478	230 163
<b>5 Total</b>	<b>621 656</b>	<b>670 244</b>	<b>1 291 900</b>

Source: SAISI

Sales of primary carbon steel products to industrial groups - Q4 2006



(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	2002	2003	2003/2002	2004	2004/2003	2005	2005/2004	2006	2006/2005
<b>Mining</b>	124 166	110 608	-10.9%	146 396	32.4%	164 132	12.1%	211121	28.6%
<b>Manufacturing</b>	2 694 770	2 216 074	-17.8%	2 534 169	14.4%	2 327 706	-8.1%	2889090	24.1%
Packaging	313 028	281 882	-9.9%	260 673	-7.5%	256 443	-1.6%	264036	3.0%
Structural Metal	1071 977	782 313	-27.0%	986 215	26.1%	895 524	-9.2%	1117162	24.7%
Tube & Pipe	523 390	396 851	-24.2%	528 826	33.3%	438 502	-17.1%	606919	38.4%
Plate & Sheet metal works	476 796	355 889	-25.4%	434 851	22.2%	420 407	-3.3%	456370	8.6%
Roofing & Cold forming	71 791	29 572	-58.8%	22 538	-23.8%	36 616	62.5%	53873	47.1%
Agricultural	29 351	41 301	40.7%	38 555	-6.6%	33 048	-14.3%	44061	33.3%
Automotive	309 515	237 264	-23.3%	314 152	32.4%	290 375	-7.6%	362006	24.7%
Electrical apparatus/white goods	56 479	54 535	-3.4%	49 481	-9.3%	47 294	-4.4%	66199	40.0%
Cables, wire products & gates	672 175	617 237	-8.2%	647 089	4.8%	588 843	-9.0%	713227	21.1%
Fasteners	52 093	49 321	-5.3%	57 113	15.8%	50 576	-11.4%	67205	32.9%
Other	190 152	152 221	-19.9%	180 891	18.8%	165 603	-8.5%	255194	54.1%
<b>Building &amp; Construction</b>	1 033 713	863 968	-16.4%	967 913	12.0%	955 102	-1.3%	1235743	29.4%
<b>Unallocated</b>	678 451	565 677	-16.6%	866 075	53.1%	791 714	-8.6%	1007569	27.3%
<b>Total</b>	4 531 100	3 756 327	-17.1%	4 514 553	20.2%	4 238 653	-6.1%	5 343 523	26.1%

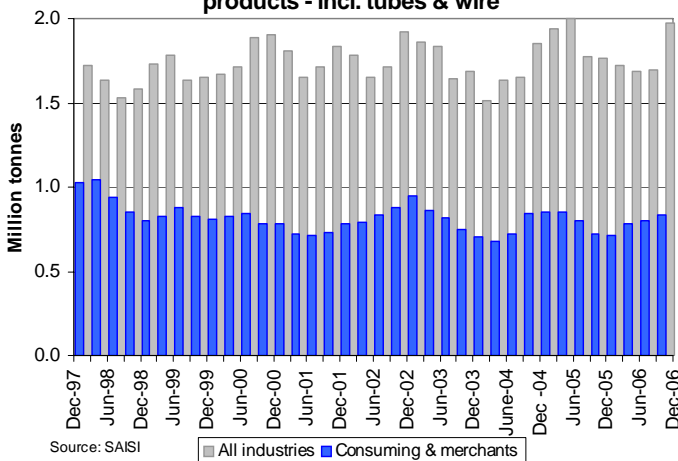
Source: SAISI

## Stocks of primary steel products on hand - end of Dec 2006

Products (metric tons)	June 2006		Sept 2006		Dec 2006	
	All industries*	Consuming**	All industries*	Consuming**	All industries*	Consuming**
<b>1 Iron and non-alloy steel</b>	<b>1 479 397</b>	<b>708 186</b>	<b>1 486 243</b>	<b>733 289</b>	<b>1 769 664</b>	<b>848 489</b>
A Semi-finished products	268 364	2 874	247 796	3 056	372 427	3 557
B Total finished products	1 211 033	705 312	1 238 447	730 233	1 397 237	844 932
C Total flat rolled products	811 278	454 374	837 358	465 932	940 163	549 070
i Hot-rolled	472 288	277 727	459 956	295 030	539 105	347 321
ii Cold-rolled	163 595	58 623	188 917	54 801	180 471	61 279
iii Clad, plated or coated	175 395	118 024	188 485	116 101	220 587	140 470
D Total profile products	399 755	250 938	401 089	264 301	457 074	295 862
i Bars and rods	102 708	22 243	105 074	37 745	111 021	37 994
ii Angles and sections	297 047	228 695	296 015	226 556	346 053	257 868
<b>2 Stainless steel products</b>	<b>122 019</b>	<b>21 352</b>	<b>123 711</b>	<b>21 405</b>	<b>120 440</b>	<b>22 571</b>
<b>3 Other alloy steel</b>	<b>1 858</b>	<b>1 858</b>	<b>2 049</b>	<b>2 049</b>	<b>2 012</b>	<b>2 012</b>
<b>4 Other products</b>	<b>81 866</b>	<b>71 160</b>	<b>84 764</b>	<b>78 833</b>	<b>81 992</b>	<b>70 152</b>
i Tubes & pipes	58 895	50 236	60 949	55 853	62 234	50 678
ii Wire	16 976	16 976	19 472	19 472	14 624	14 624
iii Other	5 995	3 948	4 343	3 508	5 134	4 850

Source: SAISI (Not absolute values - factor applied)

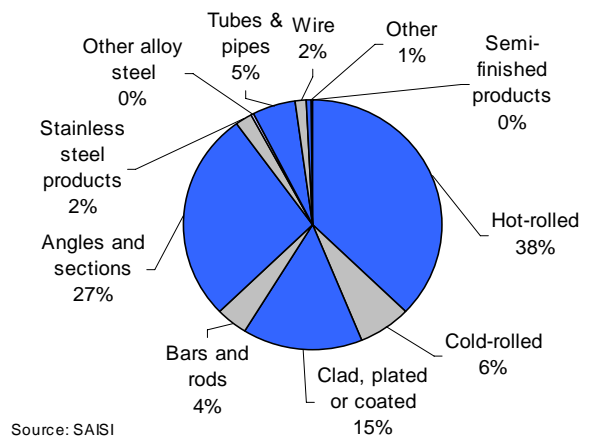
Stocks of primary carbon, alloy & stainless steel products - incl. tubes & wire



Source: SAISI

■ All industries ■ Consuming & merchants

Stocks of primary steel products - end Dec '06 (consuming & merchants)



Source: SAISI

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