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South Africa Steel Trade – Regional Snapshot H1 2025

- Exports: Africa dominates with 86% of total exports (+35%), while the EU rebounded +53.5%. The Middle East shows early growth (+85%), but NAFTA collapsed (-100%) and the Far East declined sharply (-54%).
- Imports: The Far East remains the largest supplier (66% share), though down 6%, while Africa surged to 110,000 tonnes (13%), and the Middle East gained ground. The EU lost 10% of its share.

Key Insight: Africa is now the primary driver of exports and a rising source of imports, while global trade patterns shift away from NAFTA, the Far East, and parts of Europe.

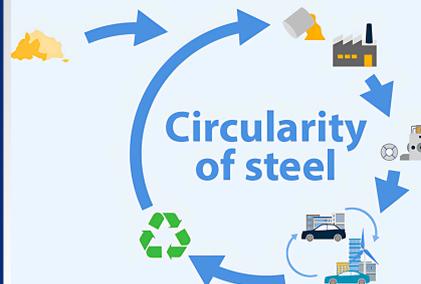
SA Crude Steel Production Holds Steady in H1 2025 Despite July Dip

July Output: 430,800 tonnes, down 6% y/y from 456,900 tonnes in July 2024. The decline reflects global market volatility, operational constraints, and high winter electricity tariffs.

Year-to-Date (Jan–Jul 2025): 2,953,900 tonnes, only 1% below the same period in 2024, showing broader stability.

EU's CBAM expansion threatens SA steel exports – dtic calls for exemptions and fair treatment to protect competitiveness and support a Just Energy Transition.

The EU's proposed expansion of its Carbon Border Adjustment Mechanism (CBAM) poses serious risks for South Africa's steel industry. The Department of Trade, Industry and Competition (dtic) warns that extending CBAM to downstream products and electricity will undermine export competitiveness, contradict global climate principles, and erode the country's ability to finance its Just Energy Transition. South Africa is calling for exemptions, recognition of its Carbon Tax, climate finance, and longer transition periods to ensure that trade measures do not unfairly penalise developing economies



Steel drives sustainability through lightweight design, remanufacturing, and full recycling, shaping a low-carbon, resource-efficient future



EU's CBAM expansion threatens SA steel exports – dtic calls for exemptions and fair treatment to protect competitiveness and support a Just Energy Transition

The Department of Trade, Industry and Competition (the dtic) has submitted strong objections to the European Commission's proposed expansion of the Carbon Border Adjustment Mechanism (CBAM), warning of significant risks to South Africa's steel exports and broader industrial base.

The EU intends to extend CBAM beyond its current scope to cover downstream products, anti-circumvention measures, and electricity emissions. According to the dtic, this approach risks undermining South Africa's competitiveness by imposing unilateral costs on exporters, while disregarding the resource and capacity constraints of developing countries.

Unequal Treatment

Of particular concern is that while the EU has indicated it will provide flexibilities to U.S. firms under CBAM, no such treatment has been extended to African economies. The dtic argues this represents a double standard that deepens global trade inequities.

Conflict with Global Principles

South Africa maintains that the CBAM framework is inconsistent with the UNFCCC and the Paris Agreement, particularly the principle of Common But Differentiated Responsibility. By imposing uniform measures without recognising differing national capacities, the mechanism risks penalising developing countries rather than supporting global climate cooperation.

Impact on Just Transition

South Africa has already made significant strides in climate policy, including the Carbon Tax Act, the Climate Change Act, the Integrated Resource Plan (IRP), and the Renewable Energy IPP Procurement Programme (REIPPPP). The country has also committed to ambitious emissions reduction targets through its updated Nationally Determined Contribution (NDC).

However, the dtic warns that CBAM will erode the financial space for South African industries to decarbonise, undermining both domestic climate policies and the Just Energy Transition Partnership with the EU itself.

South Africa's Call

The government is urging the EU to reconsider its CBAM expansion and is calling for:

- Exemptions and differentiated treatment for developing countries.
- Mutual recognition of South Africa's Carbon Tax as equivalent to CBAM.
- Climate finance, technology transfer, and capacity-building support.
- Longer transition periods for compliance.

What It Means for Steel

For South Africa's steel industry, the expanded CBAM could translate into higher export costs, reduced competitiveness in the EU market, and lower capacity to reinvest in cleaner technologies. At a time when the local industry is already under strain from global oversupply and domestic challenges, this policy risks adding a further layer of pressure.



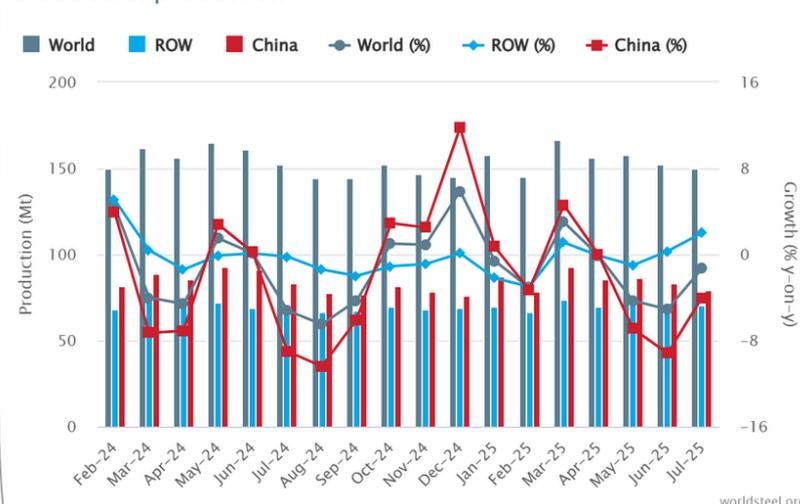
CRUDE STEEL PRODUCTION

Global steel production dips as China and EU slow, while India and the Middle East expand

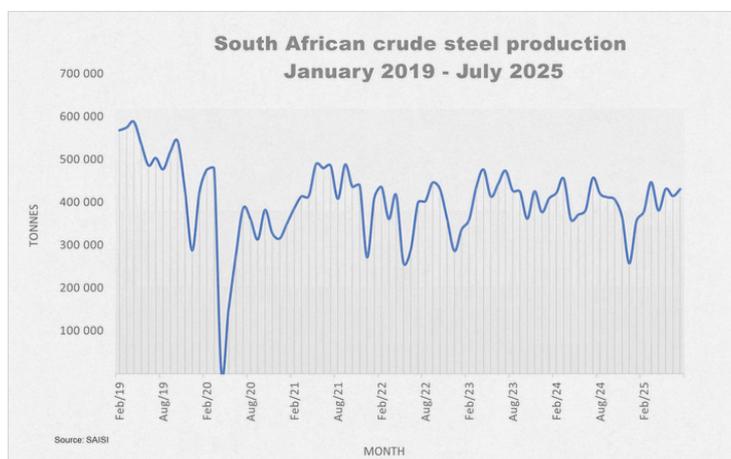
Global crude steel production for the 70 countries reporting to worldsteel reached 150.1 million tonnes (Mt) in July 2025, down 1.3% compared to July 2024, bringing year-to-date output to 1,086.2 Mt, a 1.9% decline from last year. Regional performance was mixed: production fell in Asia and Oceania (-1.9%), the EU (-7.0%), South America (-4.5%), Russia & CIS (-5.1%), and Africa (-2.0%), while gains were recorded in North America (+5.8%), Other Europe (+2.6%), and the Middle East (+27.7%).

Among the top producers, China remained the largest at 79.7 Mt (down 4.0%), followed by India at 14.0 Mt (up 14.0%) and the United States at 7.1 Mt (up 4.8%). Notably, Iran (+29.7%) and the Middle East overall recorded significant growth, underscoring shifting production momentum, while Germany (-13.7%) and the EU faced sharper declines amid weak industrial demand.

Crude steel production



SA Crude Steel Production Holds Steady in H1 2025 Despite July Dip



July 2025 Performance

South Africa's crude steel production reached 430,800 tonnes in July 2025, marking a 6% decline from 456,900 tonnes in July 2024. The drop reflects a combination of global market volatility, operational challenges, and elevated electricity tariffs during winter, which constrained output. Yet, even amid these pressures, production levels remain higher than several months in 2024, underscoring the resilience of the local steel industry.

Year-to-Date Stability

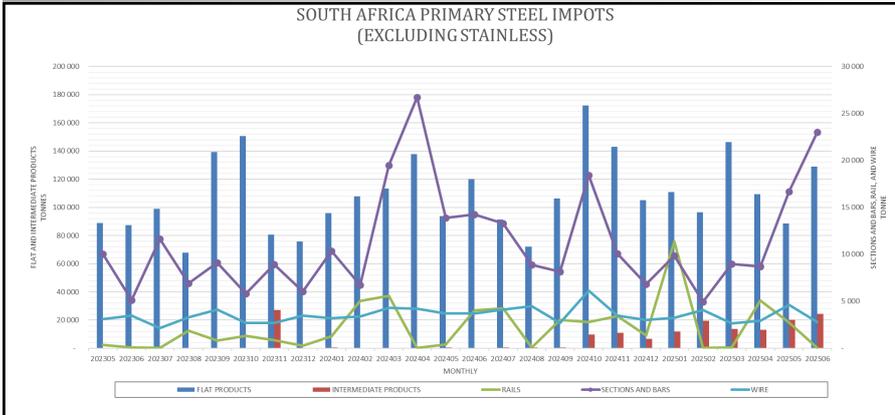
From January to July 2025, cumulative production totaled 2,953,900 tonnes, a marginal 1% decrease compared to 2,987,800 tonnes over the same period in 2024.

While July's figures indicate a temporary contraction, the broader trend demonstrates that South Africa's steel sector is weathering external and domestic pressures



PRIMARY STEEL TRADE STATISTICS

Imports: Primary Steel (excl. Stainless)



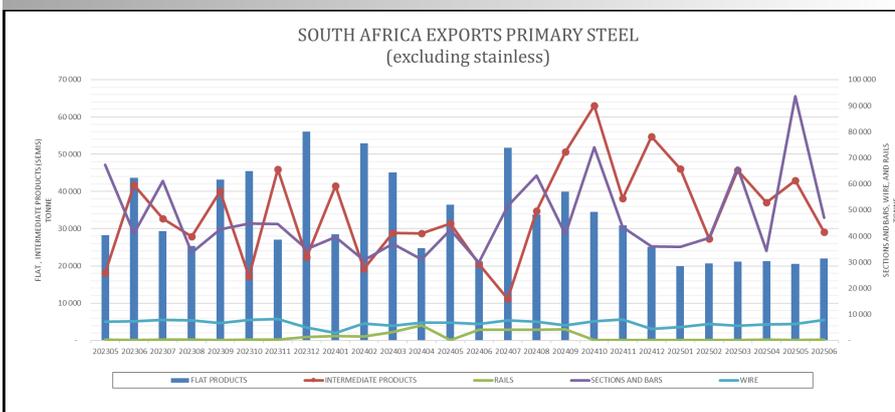
Steel Imports Jump as Intermediates Soar

South Africa's steel imports (excluding stainless, wire, and rail) jumped 25.5% year-on-year in June 2025, reaching 119,237 tonnes.

Year-to-date imports hit 823,139 tonnes, up by 8%. Flat products continue to dominate at 78% of volumes despite a 3.1% decline sections contracted sharply by 21%.

Notably, intermediates skyrocketed, reaching 102,890 tonnes in H1 2025, highlighting a significant shift in import patterns.

Exports: Primary Steel (excl. Stainless)

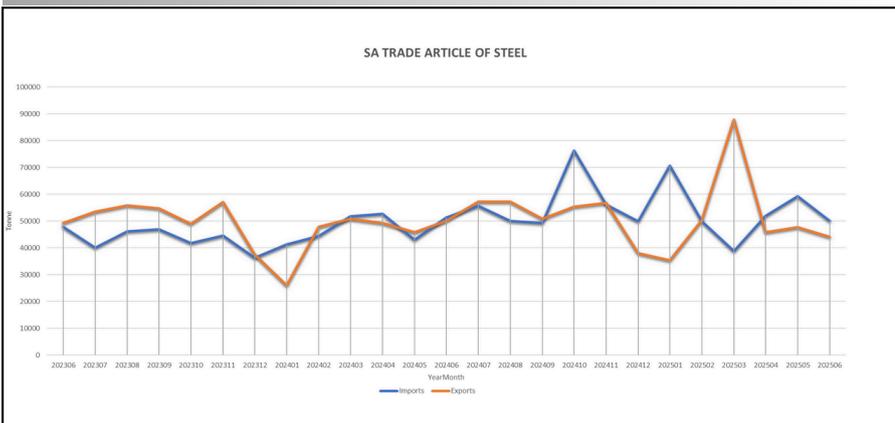


Steel Exports up 14% in H1 2025, Driven by Long and Intermediate Products

South Africa exported 168,754 tonnes of steel in June 2025, up 37% compared to June 2024. Long steel product was the biggest contributor.

Total exports for the first half of 2025 670,586 tonnes, 14% above the 2024 figure of 589,979 tonnes. Flat products made up just 18% of the total. In contrast, sections and bars accounted for 47%, and intermediate products for 35%, with volumes up 34% and 50% respectively.

Value-added Steel Products



Value-Added Steel Exports Surge 15% in H1 2025 Despite June Dip

Imports of value-added steel products reached 50,063 tonnes in June 2025, down 2.3% y-on-y. Year-to-date imports, however, climbed to 32,712 tonnes, a 37.5% increase compared to H1 2024.

Exports surged, rising 41.6% year-on-year to 311,272 tonnes, highlighting a robust performance by South African value-added steel.

SA STEEL IMPORTS BY REGION (excluding stainless wire and rail)

Region	2024 H1	2025 H1	Growth Rate (%) 2025H1/2024H1
Africa	2 292	109 967	46,98
Eastern Europe & FSU	406	998	1,46
EU 28	183 376	165 012	- 0,10
Far East	573 151	539 957	- 0,06
Middle East	1 681	6 290	2,74
NAFTA	1 302	561	- 0,57
Other Western Europe	206	54	- 0,74
South America (Incl Caribbean)	27	145	4,39
Unspecified	73	155	1,13
Grand Total	762 514	823 139	0,08

The Far East still leads with 66% share, but volumes slipped 6%. Africa surged to 110,000 tonnes (13% share), emerging as a key supplier. Meanwhile, the EU dropped 10%, while the Middle East gained grounds.

SA STEEL EXPORTS BY REGION (excluding stainless wire and rail)

Region	2024 H1	2025 H1	Growth Rate (%) 2025H1/2024H1
Africa	426 936	577 643	0,35
Eastern Europe & FSU		6	
EU 28	698	38 062	53,51
Far East	88 281	40 223	- 0,54
Islands (Africa)	13 328	11 674	- 0,12
Middle East	837	1 547	0,85
NAFTA	56 117	70	- 1,00
Other Western Europe	3 569	1 149	- 0,68
South America (Incl Caribbean)	53	4	- 0,92
Unspecified	159	207	0,31
Grand Total	589 979	670 586	0,14

Growth was driven by Africa (+35%), now 86% of total exports, and a sharp rebound in the EU (+53.5%). The Middle East showed early momentum (+85%), but exports collapsed in NAFTA (-100%) and the Far East (-54%)



STEEL CONSUMING SECTORS

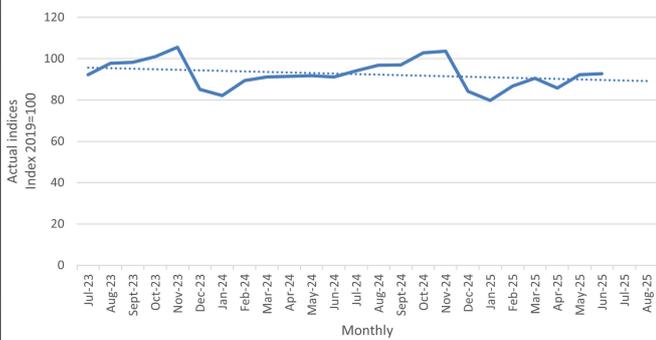
Manufacturing Gains Momentum in Q2 2025

South Africa's manufacturing sector grew 1.9% y-o-y in June 2025, driven by food, beverages, and petroleum-related products, though output was flat month-on-month. For Q2 2025, production rose 1.5%, supported by strong gains in petroleum products and motor vehicles, underscoring the resilience of industrial and automotive manufacturing.

Mining Output Shows Modest Recovery in June

South Africa's mining production edged up 0.2% month-on-month in June 2025, following a 3.9% gain in May. Growth was led by coal (+3.4%), PGMS (+3.5%), manganese (+3.2%), chrome (+2.4%), and diamonds (+1.1%), while nickel, copper, iron ore, and gold declined. On a quarterly basis, mining is expected to rise 3.9% in Q2, rebounding from a 4.1% contraction in Q1, reflecting a base effect.

Total manufacturing Actual indices Index 2019=100 Monthly



Total, gold included Actual indices Index 2019=100 Monthly

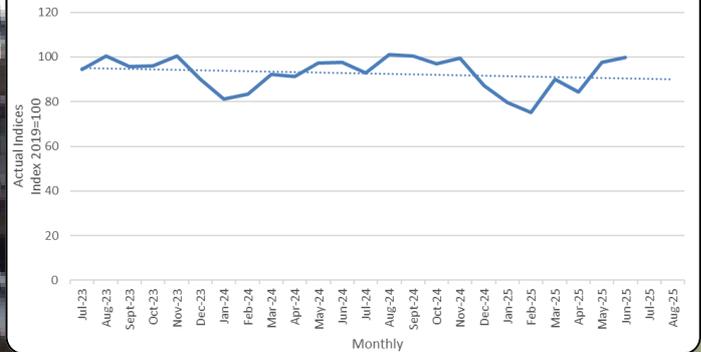
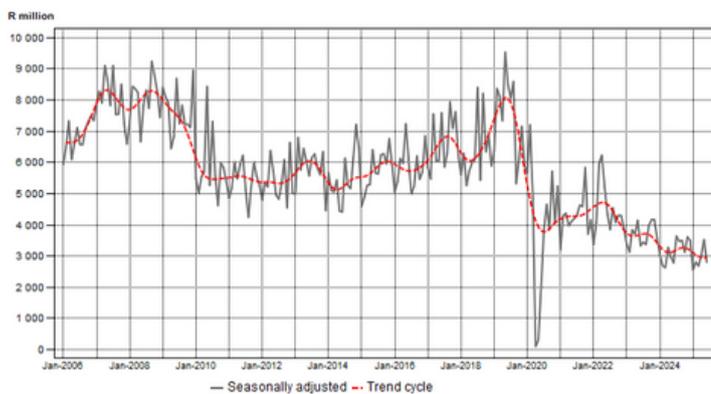


Figure 2 – Buildings reported as completed to larger municipalities at constant 2019 prices



Construction outlook cautious as approvals fall, completions edge higher

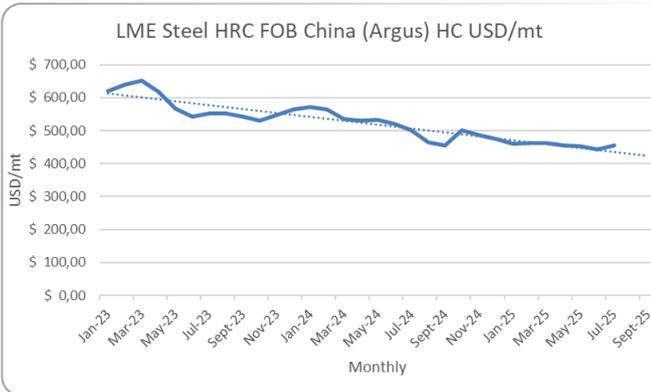
In the first half of 2025, the value of building plans passed fell 3.0% (-R1.45bn), signalling fewer future projects, with declines in both residential and non-residential sectors. Gauteng, North West, and KwaZulu-Natal recorded the largest drops, partly offset by gains in the Western and Eastern Cape. Despite weaker approvals, building completions rose 3.1% (+R693m), supported by ongoing projects, with strong growth in the Western Cape and North West. The data suggests a cautious outlook for new developments, but resilience in current construction activity.

South Africa's Automotive Sector Hits Record July Sales

South Africa's new vehicle market continued its strong momentum in July 2025, with total sales reaching 51,383 units, up 15.6% from July 2024. Passenger car sales led the growth, rising 20.1% to 36,248 units, marking the highest monthly performance since January 2017. Dealer sales accounted for 83% of total sales, supported by improving consumer confidence, favourable credit conditions, and a recovery in disposable incomes. These results highlight the automotive industry's ongoing resilience and strategic importance to South Africa's industrial and macroeconomic landscape.



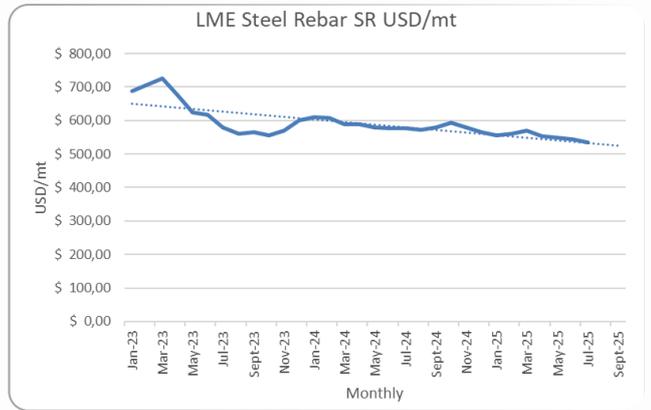
INTERNATIONAL STEEL PRICES



Steel Prices Continue to Decline in July 2025

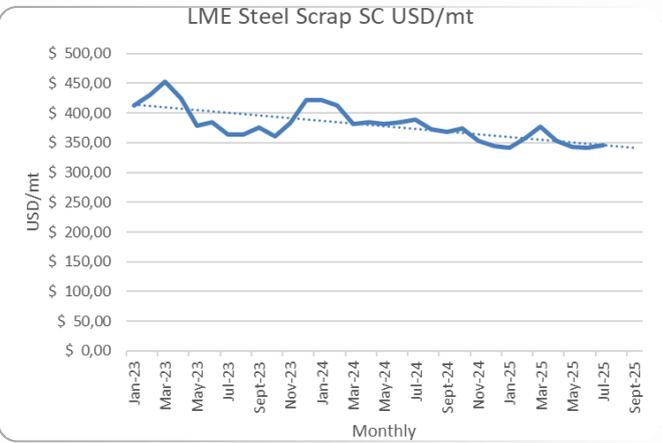
The global steel market continued to soften in July 2025, underscoring persistent challenges in demand and inventory management.

London Metal Exchange (LME) settlement data shows Steel Hot Rolled Coil (HRC) FOB China declined by 9.1% month-on-month. While prices remain under pressure, the moderation in losses—following sustained double-digit declines since November 2024—points to a potential easing in downward momentum.



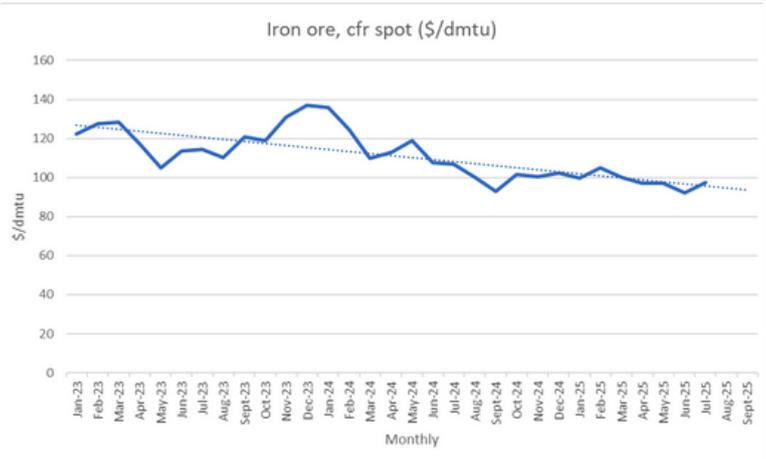
LME Steel Rebar FOB Turkey fell 7.3% year-on-year, while Steel Scrap CFR Turkey slid 11.3%, reflecting weaker consumption in the scrap market. Steel Rebar FOB Turkey also retreated 11.2%, in line with broader market softness.

Ample supply and muted demand growth continue to shape a cautious global outlook, with early signs that the sharpest declines may be easing.



“Ample supply and muted demand growth continue to shape a cautious global outlook, though there are early signs that the sharpest declines may be easing”

According to the worldbank, Metal prices edged up 1.5% in July, driven by strong gains in iron ore (+5.3%) and zinc (+4.1%)





BUILDING A CIRCULAR, SUSTAINABLE FUTURE

Steel and the 4Rs of the Circular Economy: Reduce, Reuse, Remanufacture, Recycle

The circular economy transforms traditional “take-make-dispose” models into sustainable systems of reuse, remanufacture, and recycling, optimizing resources and reducing environmental impact. Steel, with its durability, recyclability, and versatility, is uniquely positioned to lead this transformation.

Reduce

The steel industry has spent decades developing high-strength and ultra-high-strength steels that reduce product weight without compromising performance. Lighter steel products—from vehicles to construction—require less raw material and energy, cut CO₂ emissions, and lessen the demand for other resources such as concrete and foundations. Material efficiency in production has also advanced: steelmaking today uses 60% less energy than in 1960, and nearly all co-products—from slag to process gases—are repurposed.

Reuse

Steel’s durability enables products to be repurposed at the end of their life. Buildings, modular construction panels, and infrastructure can be redesigned or relocated without remanufacturing, saving materials and energy. Examples include high-speed rail tracks repurposed for lower-demand lines and modular buildings converted to meet evolving community needs. Steelmakers can also provide testing and certification services for reused components, creating new revenue streams while guaranteeing safety and quality.

Remanufacture

Remanufacturing restores used steel products to as-new condition, preserving embedded energy while replacing only worn components. Applications include construction machinery, automotive engines, electrical motors, and wind turbines. Benefits are substantial: 25–50% lower cost, 80% energy savings, and significant raw material conservation. Wider adoption is constrained by awareness and consumer confidence, but modular design and standardization help products remain repairable and remanufacturable.

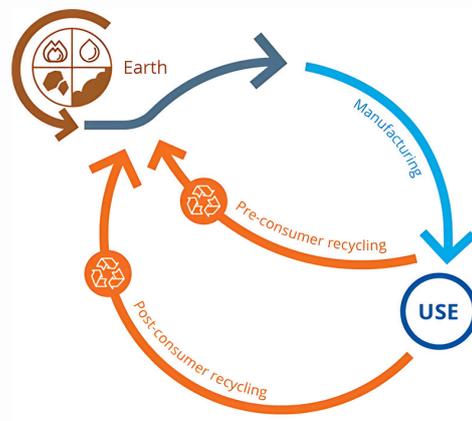
Recycle

Steel is the world’s most recycled material, repeatedly transformed without losing quality. In 2021, 680 million tonnes of steel were recycled, preventing over 1 billion tonnes of CO₂ emissions from virgin production. Recycling includes both pre-consumer and post-consumer scrap, from packaging to long-life infrastructure. While scrap supply is currently insufficient to meet total demand, future large-scale structures will provide a growing source of low-carbon steel.

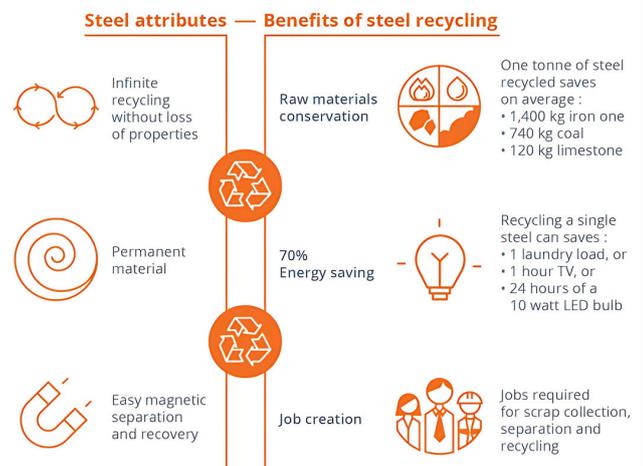
✦ **Takeaway:** By embracing Reduce, Reuse, Remanufacture, and Recycle, steel not only drives industrial efficiency and sustainability but also generates economic, societal, and environmental value, cementing its role as a cornerstone of the circular economy.



Adopting circular principles is crucial to tackling all environmental impacts, including climate change.



In 2021, worldsteel estimates that the global steel industry recycled around 650-700 Mt of steel.



Source: World Steel