



steel Matters



GLOBAL STEEL TRADE IS CLOSING – SOUTH AFRICA CANNOT AFFORD TO STAY OPEN

The steel industry remains in a prolonged protection cycle, with global overcapacity at 650Mt.

- U.S. imports: -37% y/y
- EU safeguards: tariffs up to 50% above quota (2026)
- China & India: tightening domestic controls

Trade is increasingly policy-driven. South Africa remains exposed to diverted surplus flows.

LOCAL OUTPUT UNDER PRESSURE

Crude steel production fell to 312,900t (-17.2% y/y) in February 2026, reflecting structural capacity erosion rather than cyclical weakness.

TRADE SNAPSHOT

Imports: -6.2% y/y, but rising in value-added segments

- Galvanised sheet: +29%
- Rebar exceed 4 000 tonnes, mainly from Zimbabwe
- Exports: +66.8% y/y, led by semi-finished steel
- Billets, blooms, slabs: +116%

DEMAND SIGNALS MIXED

- Construction: -30.7%
- Manufacturing: -2.8% y/y
- Automotive: +14.5% y/y (strongest March since 2007)
- Mining: broadly weaker



SAISI PEOPLE SPOTLIGHT Ziphora Bopape – Office Administration Graduate

Completed her qualification while working full-time through SAISI sponsorship, reflecting ongoing investment in skills development and institutional capacity.



GLOBAL STEEL TRADE IS CLOSING – SOUTH AFRICA CANNOT AFFORD TO STAY OPEN

Global steel trade is shifting into a sustained protection cycle driven by persistent overcapacity (650 million tonnes) and accelerating policy intervention.

U.S. steel imports fell 37% year-on-year in 2026, while the EU has introduced a new safeguard regime from July 2026 with tariffs up to 50% above quota levels. This reflects a broader global trend: major economies are actively managing steel trade rather than allowing free market adjustment.

This shift is not limited to the West. China is managing supply through capacity discipline and consolidation, while India is strengthening safeguard measures to protect and expand domestic industry. The direction is consistent: steel is now treated globally as a strategic sector.

A Global Shift Toward Managed Trade

Across key jurisdictions, steel is being repositioned from a liberalised commodity to a strategically managed sector.

- The United States has broadened tariff coverage and reduced exemptions, significantly limiting import penetration.
- The European Union has replaced temporary safeguards with a long-term tariff-rate quota system designed to actively control import volumes.
- China continues to manage supply through production discipline, capacity consolidation, and regulatory tightening aimed at stabilising domestic balance.
- India has strengthened safeguard measures and trade remedies to protect domestic industry while supporting expansion of local capacity.

While the policy instruments differ, the direction is consistent: market forces alone are no longer determining steel trade outcomes.

The Key Risk for Open Economies: Trade Displacement

For countries that remain open, the primary risk is not reduced global demand but trade diversion and displacement.

As major markets close or restrict access:

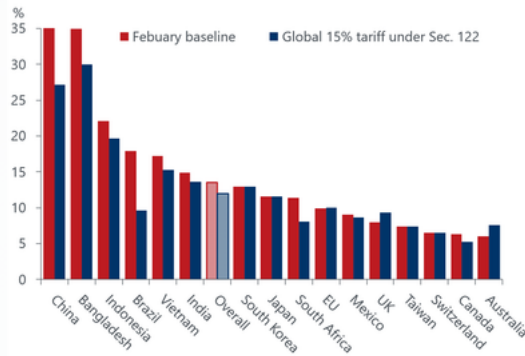
- Excess capacity is redirected into less regulated markets.
- Competition intensifies in open economies.
- Pricing becomes increasingly aggressive and export-driven.
- Domestic producers face sustained margin compression.

South Africa is directly exposed to this dynamic.

The experience in Europe demonstrates the consequence of delayed response: rising import penetration has already contributed to capacity closures, job losses, and reduced industrial resilience.

Market access is now determined as much by policy as by competitiveness

US: Effective tariff rates before and after IEEPA removal



Exporters such as South Korea, India, Turkey, and Thailand have increased penetration into the U.S. market.

Their performance reflects, amongst others the following:

- Flexible product mix aligned to market niches
- Strong integration into global supply chains

Steel Is Now Treated as a Strategic Sector

A critical feature of the current environment is the reclassification of steel by major economies.

Steel is increasingly viewed as:

A foundation for industrial development and infrastructure investment

- A critical input into manufacturing value chains
- A sector requiring policy oversight to maintain capacity and employment
- This explains the convergence in policy responses across both developed and emerging economies.

Implications for South Africa for South Africa

The global shift toward managed trade has direct implications for South Africa's steel sector.

Remaining an open market in a closing global system creates structural asymmetry:

- Domestic producers compete against displaced global surplus capacity.
- Imports enter at increasingly competitive or distorted pricing levels.
- Local capacity becomes vulnerable to utilisation decline and disinvestment.

This is not a short-term trade cycle. It is a structural reconfiguration of global steel flows.

Policy Imperative

In this environment, policy neutrality is no longer sustainable. A coordinated response is required, centred on:

- Strong and responsive trade remedies enforcement (anti-dumping, safeguards, and circumvention control)
- Appropriate tariff structures aligned to global distortions
- Improved import monitoring and early warning systems
- Alignment between industrial policy, infrastructure development, and trade protection

Conclusion

Global steel trade is now policy-driven, not market-driven.

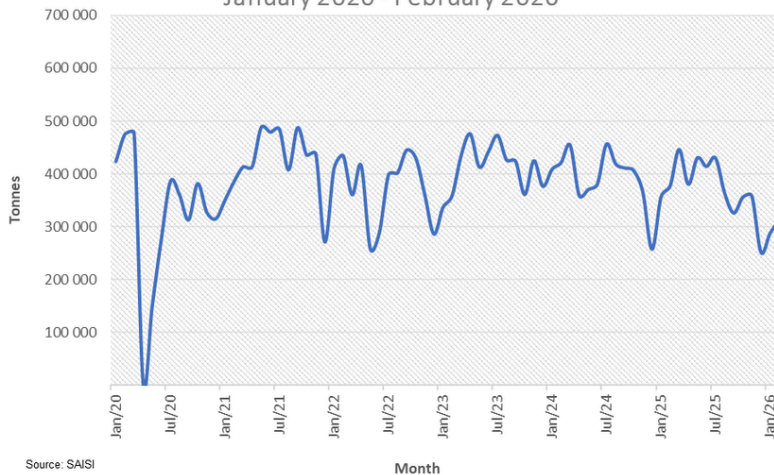
For South Africa, the risk is clear, **as the world closes, open markets become the destination for global surplus steel**



CRUDE STEEL PRODUCTION: SOUTH AFRICA'S STEEL OUTPUT FALLS 17.2% AS STRUCTURAL PRESSURE DEEPENS

IMPORTS AND CAPACITY LOSSES CONTINUE TO RESHAPE THE DOMESTIC INDUSTRY

South African crude steel production
January 2020 - February 2026



South Africa's steel industry remains under sustained strain, with crude steel production down 17.2% year-on-year in February 2026 to 312,900 tonnes. The decline points to structural erosion rather than cyclical weakness.

The contraction reflects two reinforcing pressures:

- Permanent capacity loss and continued import displacement.
- Domestic mills are operating without recovered capacity, while imports continue to capture market share and suppress pricing power.

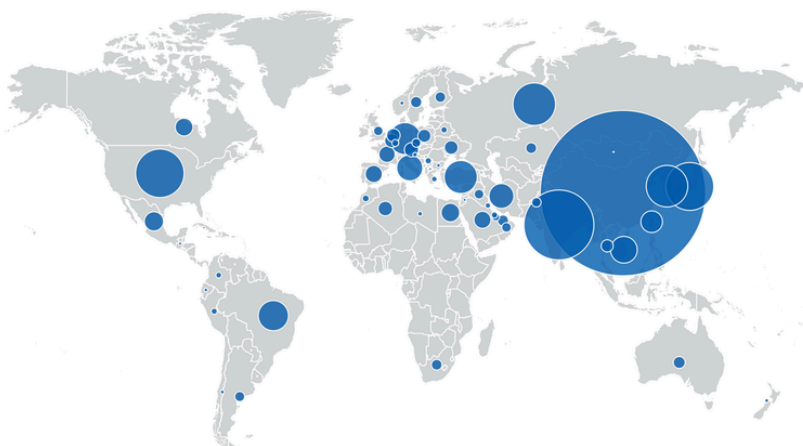
In effect, lower production is no longer demand-driven it reflects a reduced industrial base competing in an oversupplied global market.

With no meaningful recovery in utilisation and ongoing import penetration, the sector's ability to stabilise or remains under sustained pressure.

GLOBAL STEEL OUTPUT: SUPPLY-HEAVY EQUILIBRIUM PERSISTS

Global crude steel production declined by 2.2% year-on-year in February 2026, reflecting a continued slowdown in key producing regions and reinforcing a fragmented global demand environment. While certain emerging markets remain resilient, **the overall picture is one of persistent oversupply pressures and uneven regional demand recovery.**

Feb 2026 Crude steel production monthly (thousand tonnes)



© 2026 World Steel Association

Global Weak but Uneven Demand

Conditions According to the World Steel Association, global output fell to 141.8 Mt, with weakness concentrated in major producing blocs:

- China (-3.6%) remains the primary driver of global contraction, but overcapacity remains.
- EU-27 (-3.6%) reflects structural industrial slowdown and competitiveness challenges.
- Russia & CIS (-10.5%) and South America (-7.7%) show deeper cyclical and geopolitical-driven declines.
- India (+7.7%) and North America (+0.5%) provide partial offset but are insufficient to stabilise global growth.

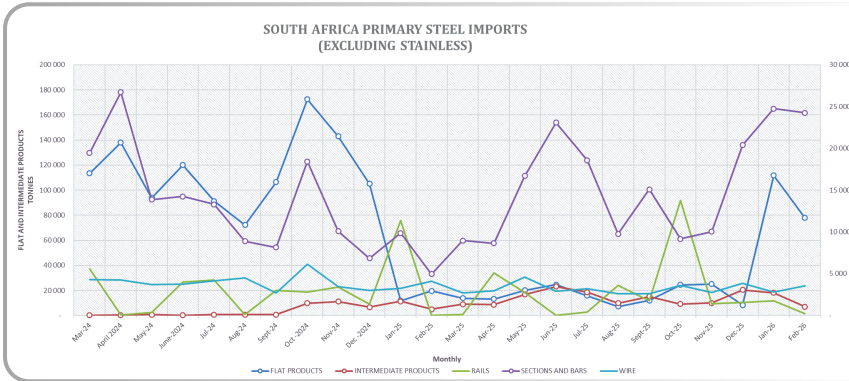
It is clear that the global steel market remains in a supply-heavy equilibrium, with demand growth insufficient to absorb existing capacity.



PRIMARY STEEL TRADE STATISTICS

IMPORTS: PRIMARY STEEL (EXCL. STAINLESS)

According to SARS data, primary steel imports (excluding stainless, wire and rail) South Africa's steel imports declined 6.2% year-on-year in February 2026, but the composition shift is more telling than the headline.



Sharp Decline in Primary and Flat Steel Inputs, Surge in Value-Added Products

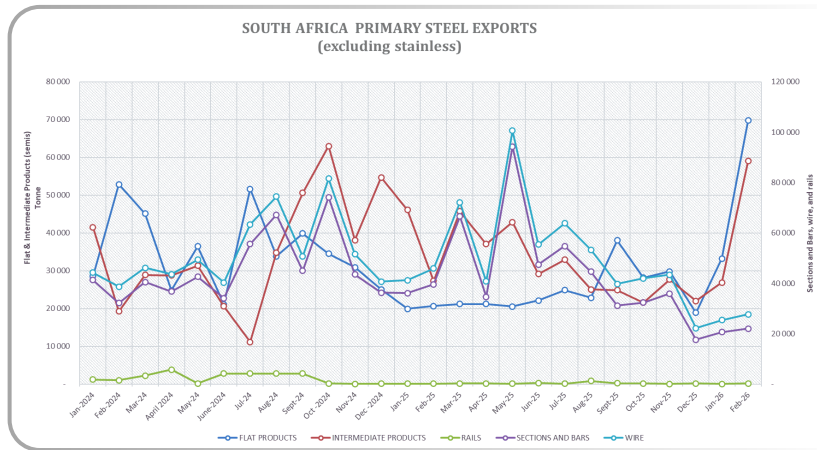
Flat steel products contracted sharply driven by hot rolled coil (-68.5%). In contrast, imports of processed and fabricated steel products increased strongly:

- HD galvanised sheet rose 29.4% to 29,751 tonnes (largest category).
- Other bars & rods surged (up from 1,552 to 11,845 tonnes).
- Reinforcing bar increased (up from 243 to 4,176 tonnes), 60% of which came from Zimbabwe.

This indicates rising penetration of finished and semi-finished steel products into the domestic market.

EXPORTS: PRIMARY STEEL (EXCL. STAINLESS)

South Africa's steel exports increased sharply from 93,818 tonnes in February 2025 to 156,471 tonnes in February 2026, a 66.8% year-on-year rise, driven primarily by semi-finished and flat steel products.



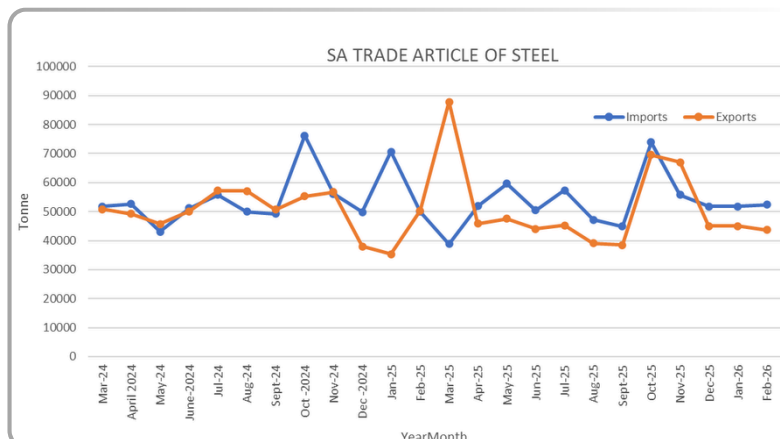
Steel Exports Surge on Semi-Finished and Flat Product Growth

The expansion was led by:

- Billets, blooms & slabs: +116.4% (reaching a record high of 59,004 tonnes), heavily concentrated into Sub-Saharan African markets and a small off-continent shipment to Pakistan.
- Plate in coil ≥4.75mm: up from 7,308 to 29,624 tonnes), to Mozambique and Pakistan.
- HR coil/sheet & plate coil: (up from 2,670 to 13,393 tonnes), to mainly to Panama.
- HD galvanised sheet (up from 2,563 to 10,087 tonnes), to Panama and Pakistan.
- Cold rolled sheet: (up from 1,395 to 6,925 tonnes)

However, this was partially offset by declines in: Reinforcing bar: -65.4% (from 24,818 to 8,583 tonnes)

VALUE-ADDED STEEL PRODUCTS



Rising inflows in construction and infrastructure-related products

In February 2026, the steel articles trade position weakened compared to February 2025.

Imports:

- Feb-25: 49,938
 - Feb-26: 52,444
- +5% year-on-year increase

Exports:

- Feb-25: 50,384
 - Feb-26: 43,743.8
- 13% year-on-year decline



**MARCH
2026**

STEEL CONSUMING SECTORS

Domestic Construction Indicators: January 2026

Stats SA Data (P5041.1)

Building Plans Passed



R6.28 bn (Nominal): **+0.2%** y/y
Real Terms: **-3.2%** y/y

- Non-Residential: **+27.7%** (Real)
- Residential & Alterations: **-15.5%** (Real)

Buildings Completed



R2.02 bn: **-30.7%** y/y
Real Terms: **-33.1%** y/y

- Non-Residential: **-71.1%** (Real)
- Additions & Alterations: **+18.6%** (Real)

Provincial Performance

Strong Gains:

- Gauteng **+22.1%**
- Eastern Cape **+128.9%**
- Limpopo **+84.1%**

Sharp Declines:

- Western Cape **-18.5%**
- KwaZulu-Natal **-26.4%**



Soft Start to 2026: Completions Plunge, Planning Steady

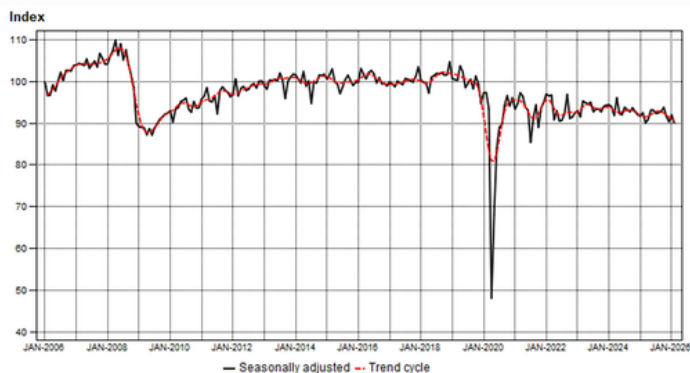
Construction Pipeline Softens as Completions Decline Sharply

Building Plans Passed January 2026

- Real terms (2019 prices): Down 3.2%, indicating inflation-adjusted contraction.
- Non-residential segment: Strongest performer, up 27.7% nominally and 23.4% in real terms, driven by logistics and light industrial projects.
- Residential and alterations: Fell 1.1% and 15.5% respectively, reflecting subdued household investment and renovation activity.
- Provincial trends: Gains in Gauteng (+22.1%), Eastern Cape (+128.9%), and Limpopo (+84.1%) offset steep declines in Western Cape (-18.5%) and KwaZulu-Natal (-26.4%).

Buildings Completed down 30.7% to R2.02 billion, signalling project delays and weak completion rates

Manufacturing Weakness Signals Soft Domestic Steel Demand



STATS SA reported Manufacturing production declined 2.8% year-on-year in February 2026, led by declines in metal-intensive divisions, notably basic iron & steel and machinery.

Automotive Sector Signals Resilient Domestic Demand Amid Export Pressure

South Africa's automotive sector delivered a robust first quarter, with domestic sales momentum accelerating into March, the strongest March since 2007. While exports softened, local production and retail demand remained the key drivers of growth.

Domestic Sales (Local Market)

- Q1 2026 total: 150 560 units (+14.5% y/y).
- Passenger cars: 39 370 units in March (+18.2% y/y), supported by rental demand (6.5% share).
- Light commercial vehicles (bakkies & minibuses): 15 557 units in March (+15.7% y/y).
- Medium commercial vehicles: 823 units (+14.0% y/y).
- Heavy trucks & buses: 2 310 units (+14.5% y/y).

Local production for the domestic market is expanding steadily, reflecting improved consumer confidence, lower interest rates, and stronger dealer sentiment.

South Africa's mining sector recorded a 9.7% year-on-year increase in February 2026, according to Statistics South Africa, marking a sharp rebound driven primarily by the PGM complex and key bulk minerals.

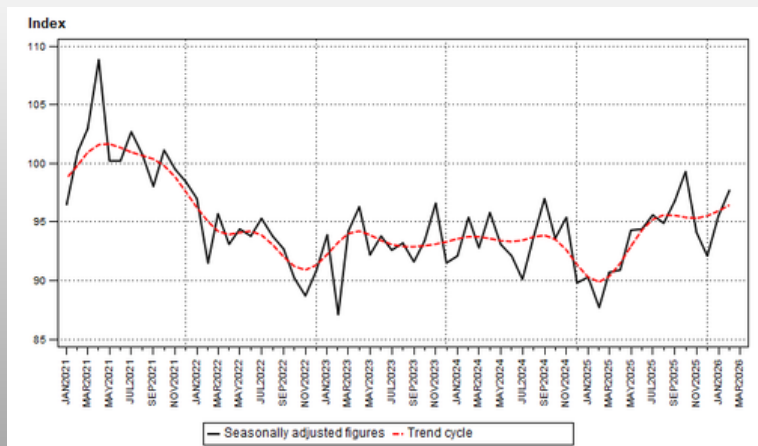
Weakness in Iron Ore and Coal

Despite the strong headline growth, key bulk commodities linked to the steel value chain declined:

- Iron ore fell 12.4%, subtracting 2.3 percentage points
- Coal declined 6.7%, contributing -2.0 percentage points

These declines point to logistics constraints, softer export demand, and ongoing structural inefficiencies, particularly in rail and port performance.

Mining Production Rebounds Strongly in February 2026

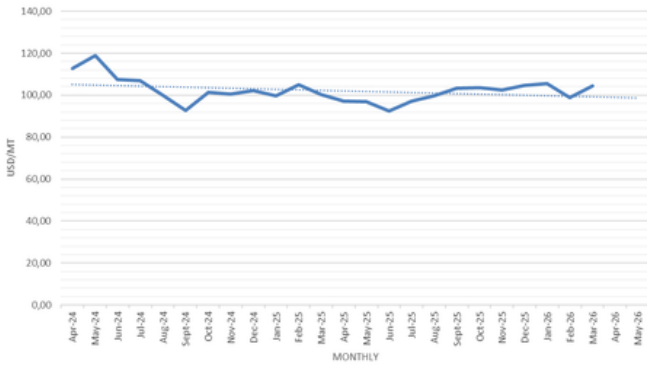




**MARCH
2026**

INTERNATIONAL STEEL PRICES

Iron ore, cfr spot (\$/dmtu)



IRON ORE (WORLD BANK PINK SHEET – 62% Fe CFR CHINA)

MAR 2025: \$98/DMT → MAR 2026: \$104–106/DMT (+6–7%)

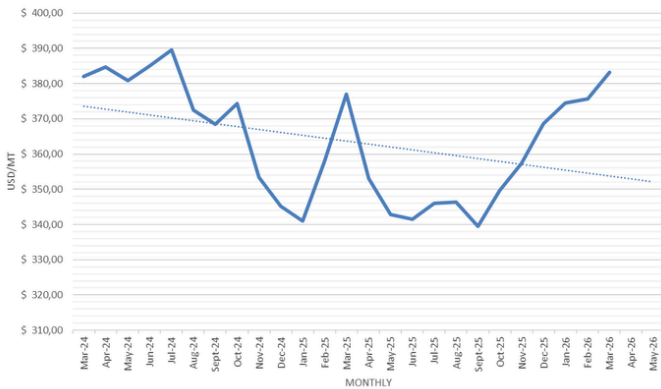
Iron ore prices strengthened significantly year-on-year.

Key drivers:

- Chinese restocking ahead of construction season
- Temporal Supply constraints from Brazil and Australia
- Futures market momentum amplifying gains
- Freight and currency effects adding support

Stronger upstream pricing, but constrained by downstream steel oversupply.

LME Steel Scrap SC USD/mt



STEEL SCRAP (LME)

MAR 2025: \$377/MT → MAR 2026: \$383/MT (+1.7%)

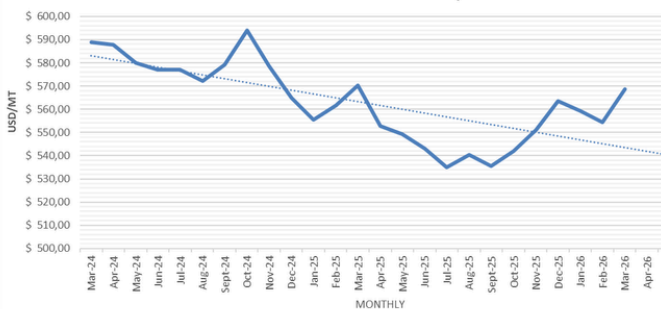
Scrap prices recorded marginal gains driven primarily by tightening supply conditions.

Key drivers:

- Lower demolition activity reducing scrap availability
- Steady EAF demand from Turkey and India
- Freight and currency volatility influencing regional pricing

Structurally tight supply, but demand remains stable rather than expanding.

LME Steel Rebar SR USD/mt



STEEL REBAR (LME)

MAR 2025: \$570/MT → MAR 2026: \$569/MT (-0.3%)

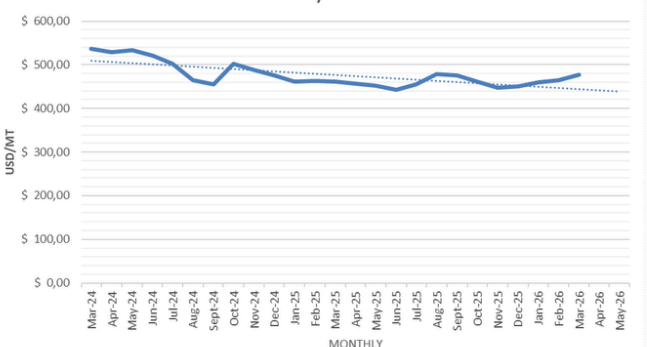
Rebar prices were broadly unchanged year-on-year, reflecting weak global construction fundamentals.

Key dynamics:

- Subdued infrastructure activity in Europe and Latin America
- Partial offset from India and Middle East stimulus
- Lack of synchronized global construction recovery

Weakest finished steel segment; demand-driven stagnation.

LME Steel HRC FOB China (Argus) HC USD/mt



HOT ROLLED COIL (HRC – LME, FOB China)

MAR 2025: \$462/MT → MAR 2026: \$477/MT (+3.3%)

Hot Rolled Coil prices edged higher year-on-year, supported by modest restocking and slight improvement in downstream demand, particularly from automotive and appliances.

However, the market remains structurally constrained:

- Persistent global overcapacity continues to cap price recovery
- Gains are cycle-driven rather than demand-led
- Chinese supply discipline has stabilised pricing, not lifted it materially

Stable but range-bound market with limited upside.



A PROUD MOMENT FOR SAISI: ZIPHORA BOPAPE GRADUATES CELEBRATING ZIPHORA BOPAPE'S GRADUATION AND GROWTH

At SAISI, we have always believed that investing in our people is one of the most meaningful things we can do as an organisation. That belief is not just a value on paper; it is a commitment we honour through action. Today, we are proud to celebrate one of our own: Ziphora Bopape, who has successfully completed her Office Administration qualification, a journey SAISI had the privilege of sponsoring from start to finish. Balancing a full-time role at SAISI while attending classes after hours and over weekends, she refused to let the demands of daily life extinguish her ambition. The result? A first-time graduate who is now stepping into a brighter, more empowered chapter of her career.



The Drive Behind the Qualification

Ziphora did not enrol simply to earn a certificate. She had a clear and purposeful vision. "I wanted to master organisational communication, office protocol, customer service, and technical skills to keep SAISI running effectively," she explains. Her motivation was rooted in a deep commitment to her role and to the organisation she serves, making her achievement all the more meaningful.

Overcoming the Odds

The road was not without its challenges. As a full-time employee, Ziphora had to attend classes part-time, often after long working days and on weekends. There were moments that tested her resolve. Yet she pressed on, driven by an unwavering belief in the value of education and a determination to see her goal through.

Her resilience paid off. Today, Ziphora stands not only as a graduate, but as an example of what it means to pursue excellence even when the path is difficult.

"Never give up on a dream just because of the time it will take. Education is the passport to the future."

– Ziphora Bopape

SAISI's Commitment: More Than Just Sponsorship

SAISI did not simply pay a tuition fee and step back. The organisation covered Ziphora's course fees, her graduation costs, and provided additional financial support throughout her studies. But beyond the financial investment, it was the human support that made the difference. Ziphora is quick to acknowledge those who walked alongside her: "I want to thank SAISI Secretary General, Mr Charles Dedman for the sponsorship and support. Special thanks to Samantha Bosch, my manager, and Adri Steenkamp for helping me through this journey. "This is what investing in people truly looks like and SAISI is proud to stand behind every word of that commitment.

What Comes Next

Graduation is not the end of Ziphora's journey, it is the beginning of a new one. She has her eyes set firmly on the future: seeking new challenges within the organisation, volunteering for new projects, and working towards a senior role. "My achievement validates my self-worth and reinforces my ability to tackle future challenges," she says. "My family is proud of me, and I feel empowered and confident that I can reach goals I once thought were unattainable.

Congratulations, Ziphora. Your hard work, sacrifice, and courage are an inspiration to all of us at SAISI. We are honoured to have been part of your story, and we cannot wait to see everything you will achieve next.

