



## **DEMAND SIGNALS MIXED**

South Africa's industrial economy remained fragile in early 2026, with manufacturing output contracting 2.8% year-on-year and crude steel production remaining nearly 17% below 2025 levels. Weakness in iron and steel, machinery, construction activity, and bulk mining commodities continued to weigh on industrial performance, despite stronger vehicle sales and robust PGM production. The latest data points to ongoing pressure across investment-linked sectors, with limited signs of a broad-based industrial recovery.

## **GLOBAL STEEL PRICES RISE IN APR'26 ON TIGHTER SUPPLY AND FIRM INPUT COSTS**

Global steel prices rose month-on-month in April 2026, supported by tighter supply discipline and firmer input costs, particularly scrap. Finished steel prices increased across key export markets, with HRC and rebar posting notable gains, reflecting improved price realisation after March volatility.

## **STEEL IMPORTS CONTINUE TO RESHAPE SOUTH AFRICA'S MANUFACTURING LANDSCAPE IN Q1 2026**

South Africa's imports of downstream steel products increased by 5% year-on-year during Q1 2026, rising to 167,453 tonnes, while average import prices declined by 9.1%. Significant growth was recorded in structural steel, wire products, fabricated articles, fasteners, and infrastructure-related products, highlighting rising import penetration across value-added manufacturing segments. The latest SARS data reinforces growing concerns regarding the displacement of domestic manufacturing capacity and the increasing leakage of infrastructure-driven demand toward imported steel products rather than local industry.

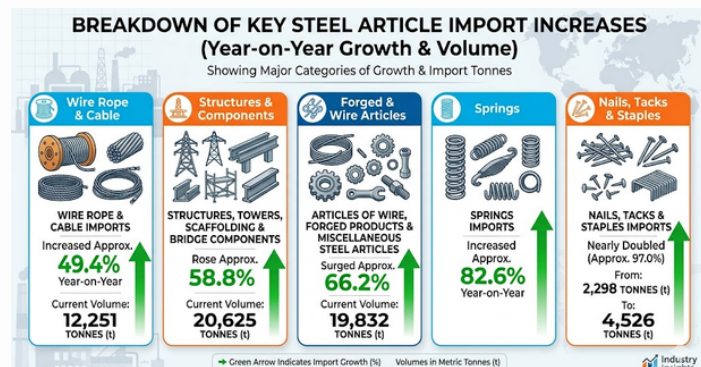


## STEEL IMPORTS CONTINUE TO RESHAPE SOUTH AFRICA'S MANUFACTURING LANDSCAPE IN Q1 2026

South Africa's imports of fabricated and downstream steel products continued to rise during the first quarter of 2026, reinforcing growing concerns regarding the increasing displacement of domestic manufacturing capacity across several value-added steel product categories.

Latest trade data published by the South African Revenue Service (SARS) indicates that imports of "Articles of Steel" increased from 159,529 tonnes in Q1 2025 to 167,453 tonnes in Q1 2026, representing a year-on-year increase of approximately 5.0%. At the same time, the average import price declined from R33,031/tonne to R30,033/tonne, reflecting downward pricing pressure in several product segments.

The data highlights an increasingly important structural trend within South Africa's steel economy: import growth is no longer concentrated only in primary steel products but is steadily expanding into higher value-added downstream and fabricated steel categories traditionally serviced by local manufacturers.



### Import Growth Concentrated in Strategic Downstream Categories

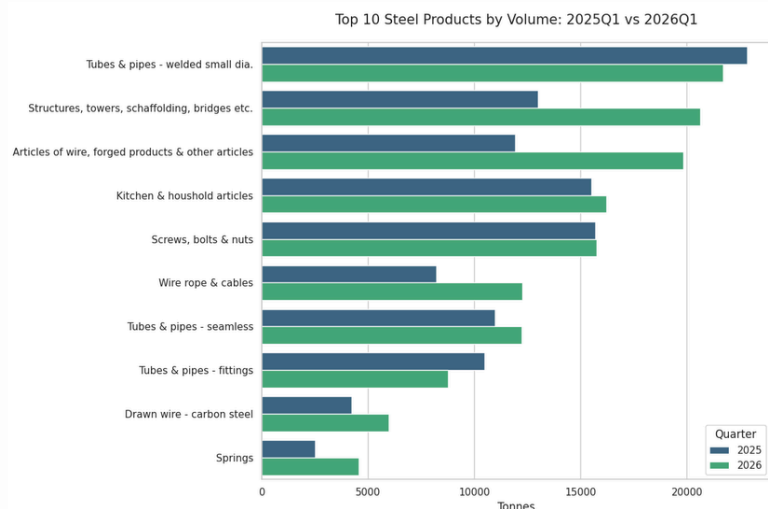
Several downstream product categories recorded significant import growth during Q1 2026.

Among the strongest increases were:

- Wire rope and cable imports, which increased by approximately 49.4% year-on-year to 12,251 tonnes;
- Structures, towers, scaffolding and bridge components, which rose by approximately 58.8% to 20,625 tonnes;
- Articles of wire, forged products and miscellaneous steel articles, which surged by approximately 66.2% to 19,832 tonnes;
- Springs imports, which increased by approximately 82.6% year-on-year; and
- Nails, tacks and staples imports, which nearly doubled from 2,298 tonnes to 4,526 tonnes.

These categories are particularly significant because they sit deeper within the manufacturing value chain and support a broad network of domestic fabrication, engineering, construction, mining and infrastructure-related industries.

The continued growth of imported fabricated products therefore raises concerns not only for primary steel producers, but also for downstream manufacturing ecosystems that rely on stable domestic steel supply chains.





## STEEL IMPORTS CONTINUE TO RESHAPE SOUTH AFRICA'S MANUFACTURING LANDSCAPE IN Q1 2026

### Structural Steel Imports Reflect Infrastructure Demand Leakage

One of the most notable developments in the Q1 2026 data was the sharp increase in imports under HS7308 – covering structures, towers, scaffolding, bridges and related fabricated structural steel products.

Imports in this category increased from 12,992 tonnes in Q1 2025 to 20,625 tonnes in Q1 2026.

This trend is particularly important in the context of South Africa's expanding infrastructure pipeline, including:

- Electricity transmission expansion;
- Renewable energy projects;
- Rail and logistics upgrades;
- Water infrastructure programmes; and
- Large-scale construction developments.

The increase suggests that a growing portion of infrastructure-related steel demand may be leaking toward imported fabricated products rather than supporting local manufacturing and fabrication capability.

For the domestic steel value chain, this reinforces the importance of enforceable localisation measures tied to public infrastructure procurement.

### Pressure Intensifying Across Wire and Fastener Segments

The data also reflects increasing import penetration in several labour-intensive downstream sectors.

Imports of:

- Drawn carbon steel wire increased by 41.6%;
- Wire rope and cables increased substantially;
- Fasteners such as nails and staples rose sharply; and
- Screws, bolts and nuts remained elevated at over 15,700 tonnes.

These product categories are strategically important because they support numerous small and medium-sized manufacturers involved in mining supply chains, construction inputs, agriculture, infrastructure maintenance, and industrial distribution networks.

In many cases, these sectors compete directly against imported products entering the market at prices that local manufacturers struggle to match due to domestic cost pressures linked to electricity, logistics, transport and municipal services.

### Mixed Performance Across Tube and Pipe Segments

Imports within the tube and pipe sector showed mixed trends during Q1 2026.

Seamless tube imports increased from 10,953 tonnes to 12,217 tonnes, while cast iron tube imports also rose significantly, albeit from a low base.

However, welded large diameter pipe imports declined sharply from 3,390 tonnes to only 590 tonnes, while welded small diameter tube imports declined modestly.

### Pipe fittings imports also softened year-on-year.

The mixed performance likely reflects varying levels of project activity across infrastructure and industrial sectors, as well as differing levels of domestic supply competitiveness across individual product categories.

### Declining Average Import Prices Raise Competitive Concerns

While overall import volumes increased, the average value per tonne declined across numerous categories.

Notable price declines were recorded in:

- Springs;
- Nails and fasteners;
- Structural steel products;
- Wire products;
- Tanks and containers;
- High-pressure containers; and
- Fabricated steel articles.

The overall average import price for steel articles declined by approximately 9.1% year-on-year.

This trend may indicate intensified global competition, excess international production capacity, or aggressive pricing strategies by foreign suppliers seeking market share in South Africa.

For domestic manufacturers already facing elevated operating costs, sustained import price pressure further compresses margins and weakens reinvestment capacity.

### Railway Material Imports Decline Sharply

One of the few major categories to record a significant decline was railway material imports, which fell from 11,481 tonnes in Q1 2025 to 3,523 tonnes in Q1 2026.

This decline likely reflects project timing dynamics and procurement cycles rather than a structural shift in demand. However, it also highlights the volatility of infrastructure-linked steel demand in the absence of predictable long-term project execution.



## STEEL IMPORTS CONTINUE TO RESHAPE SOUTH AFRICA'S MANUFACTURING LANDSCAPE IN Q1 2026 THE BROADER INDUSTRIAL IMPLICATIONS

The Q1 2026 import data reinforces several broader concerns for the South African steel industry.

Firstly, import penetration is increasingly moving downstream into fabricated and value-added manufacturing segments, not only primary steel products.

Secondly, rising imports in strategic infrastructure-linked categories suggest that South Africa risks missing opportunities to leverage public infrastructure expenditure for domestic industrial development.

Thirdly, declining import prices continue to intensify pressure on local manufacturers already contending with:

- High electricity tariffs;
- Logistics inefficiencies;
- Rail and port underperformance;
- Weak domestic demand;
- Rising compliance costs; and
- Infrastructure constraints.

The cumulative effect is increasing pressure across the entire steel value chain, from primary production through to fabrication and engineering-intensive downstream industries.

### Localisation and Industrial Policy Remain Critical

The latest import trends reinforce the growing importance of coherent industrial policy interventions aimed at preserving and strengthening South Africa's steel manufacturing ecosystem.

The domestic industry continues to advocate for:

- Stronger enforcement of localisation requirements;
- Improved trade remedy administration;
- Measures addressing circumvention and unfair trade practices;
- Infrastructure procurement aligned to local industrial capacity;
- Logistics and energy reforms; and
- Long-term industrial policy certainty.

South Africa retains substantial manufacturing capability across numerous downstream steel sectors. However, sustaining this capability will require a coordinated policy environment that ensures domestic producers are able to participate meaningfully in the country's infrastructure and industrial development agenda.

### Conclusion

The Q1 2026 steel import data presents a clear signal that import penetration within South Africa's downstream steel economy continues to deepen.

While imports remain necessary in certain specialised or supply-constrained product areas, the continued growth of imported fabricated steel products raises important questions regarding industrial competitiveness, localisation effectiveness, and the long-term sustainability of domestic manufacturing capacity.

As South Africa accelerates infrastructure investment and industrial development initiatives, the extent to which these programmes translate into local industrial growth rather than expanding import dependency will become an increasingly important determinant of the future trajectory of the domestic steel sector.



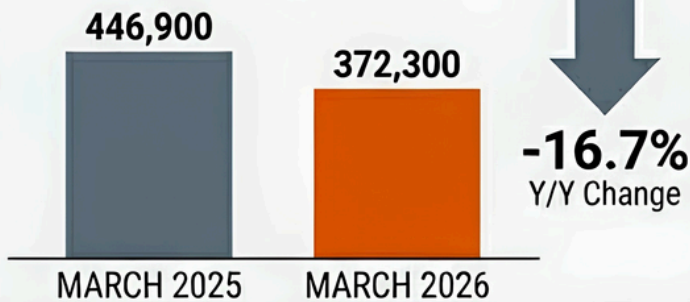
CRUDE STEEL  
PRODUCTION

SA STEEL PRODUCTION  
Analysis: Q1 2026 Performance

At A Glance

**Q1 2026 TOTAL:**  
**972,800**  
TONNES

**Y/Y CHANGE:**  
**-17.6%**  
(208,500 TONNES  
DECLINE)



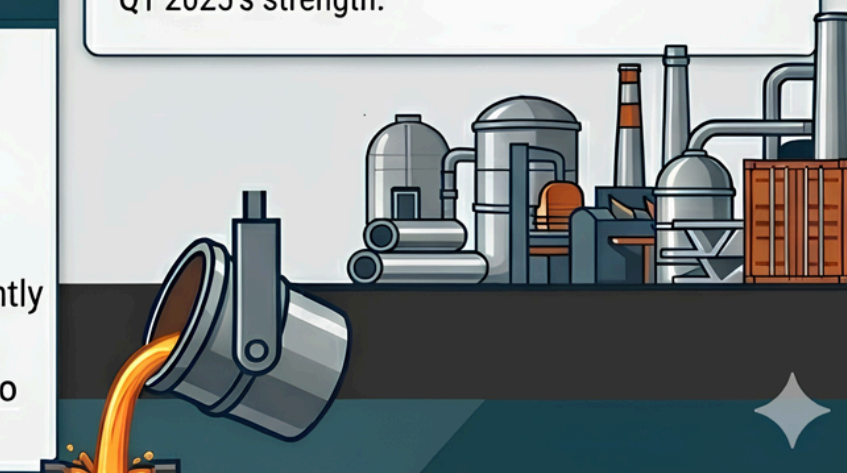
Quarterly Trend Comparison  
(Sequential but Lower)



Both quarters showed growth from January, but Q1 2026 peaks at only **372,300 tonnes**, far below Q1 2025's strength.

Key Observations & Assessment

- Contraction of 17.6% (Q1) exceeds 16.7% (Mar) decline, confirming a broader quarterly slowdown.**
- Weakness in March is not an isolated event.**
- Lower quarterly base and significantly lower peak.**
- Early 2026 recovery is insufficient to offset deeper structural weakness.**





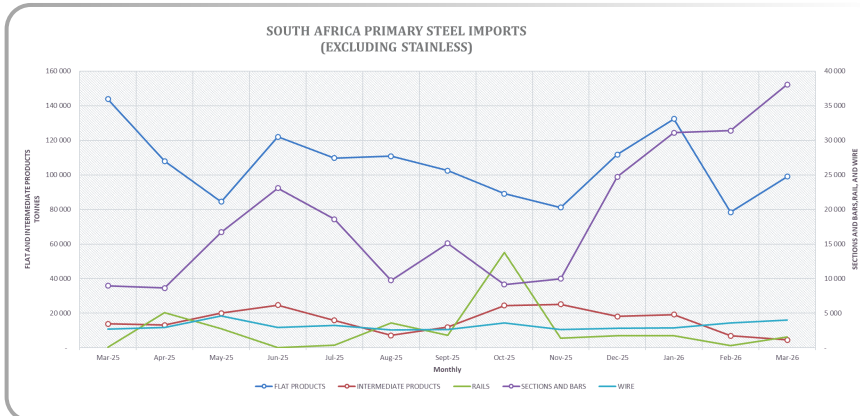
## IMPORTS: PRIMARY STEEL ( EXCL. STAINLESS)

South Africa's primary steel imports (excluding stainless, wire, and rail) declined by 16.9%, from 172 054 tonnes in March 2025 to 142 985 tonnes in March 2026. However, imports shifted from flat steel products toward long steel and construction-related materials.

This shift remains a concern for local producers, as rising import penetration in strategic downstream steel categories continues to pressure the domestic industry.

Key material movements are as follows:

- HD galvanised sheet imports recorded the largest decline, falling from 45,145 tonnes to 24,559 tonnes, a reduction of 20,586 tonnes (-45.6%).
- Electro galvanised sheet also recorded growth, rising from 1,870 tonnes to 3 067 tonnes (+64%).



Despite the overall decline, long steel products categories experienced strong growth:

- HR sections heavy/light increased materially from 1,439 tonnes to 12,643 tonnes, reflecting a surge of nearly 779%.
- Wire rod imports increased, from zero to 12,182 tonnes, becoming one of the largest import categories for the month.
- Other bars & rods rose from 2,885 tonnes to 9, 417 tonnes (+226%).
- Reinforcing bar imports increased from 565 tonnes to 2,015 tonnes (+257%).

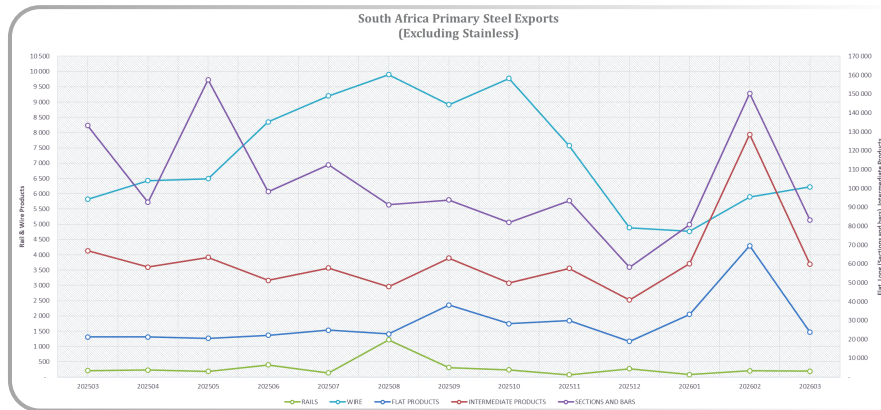
## EXPORTS: PRIMARY STEEL ( EXCL. STAINLESS)

South Africa's primary steel exports declined significantly in March 2026 compared to March 2025, with total export volumes falling from 133 262 tonnes to 83 192 tonnes, representing a contraction of 37.6%.

The decline was largely driven by lower exports of semi-finished and long steel products, particularly reinforcing bar and billets.

Key material changes include:

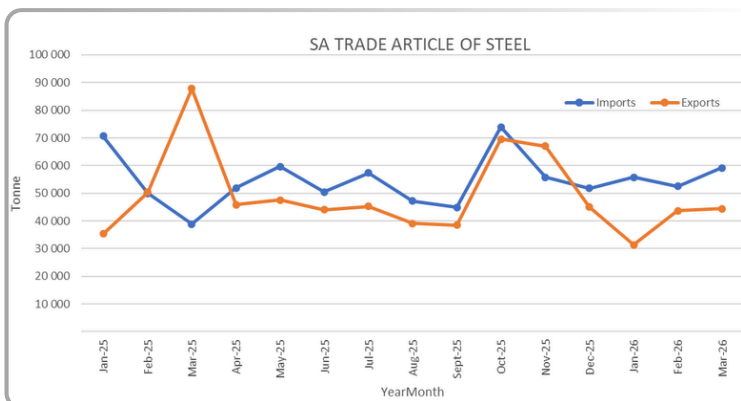
- Reinforcing bar exports recorded the sharpest decline, decreasing from 50 286 tonnes to 10 696 tonnes (-78.7%).
- Billets, blooms & slabs exports declined from 45 709 tonnes to 36 093 tonnes (-21.0%).
- Plate in coil  $\geq 4.75\text{mm}$  fell materially from 6 273 tonnes to 2 271 tonnes (-63.8%).
- Other bars & rods exports decreased from 8 454 tonnes to 3 662 tonnes (-56.7%).



Despite the overall decline, several flat steel categories recorded growth:

- HR coil/sheet & plate coil exports increased from 3 749 tonnes to 5 441 tonnes (+45.1%).
- Cold rolled sheet exports rose from 1 400 tonnes to 3 996 tonnes (+185.4%).
- HR sections heavy/light increased from 4 462 tonnes to 6 007 tonnes (+34.6%).

## VALUE-ADDED STEEL PRODUCTS



### Downstream Trade Dynamics: Rising Imports and Sharp Export Contraction (March 2025–March 2026)

South Africa's imports of steel downstream products increased from 38,886 tonnes in March 2025 to 44,393 tonnes in March 2026, reflecting growth of 14.2%. The increase was driven primarily by higher imports of fabricated steel products, wire-based products, and structural materials.

In contrast, South Africa's exports of steel downstream products declined significantly from 87,829 tonnes in March 2025 to 44,393 tonnes in March 2026, representing a contraction of 49.5%. The decline was primarily driven by a sharp reduction in seamless tubes and pipes exports, although several fabricated and structural steel categories remained elevated.

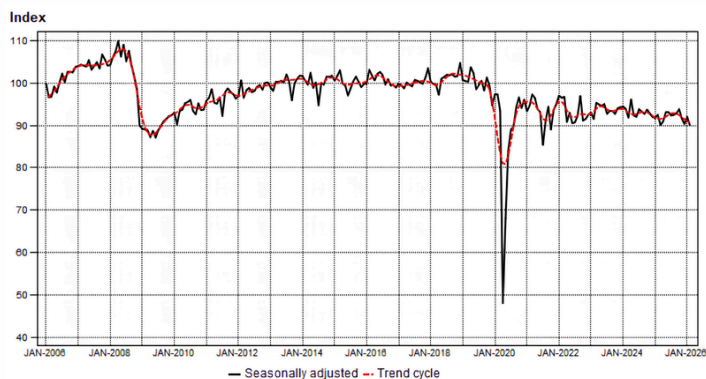


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## STEEL CONSUMING SECTORS

### South African Manufacturing Weakness Deepens Amid Metals and Machinery Contraction

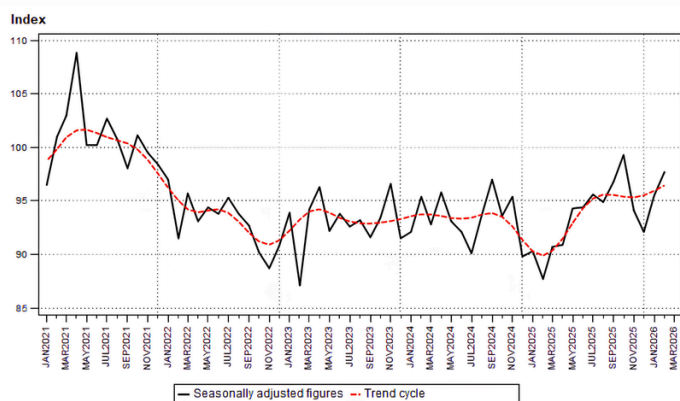


South Africa's manufacturing sector remained under pressure in early 2026, contracting 2.8% year-on-year in February. Weakness was broad-based, led by food and beverages, wood and paper, and basic iron and steel, metal products and machinery (-3.6%).

The decline in metals and machinery is particularly significant given its link to infrastructure and fixed investment. This aligns with crude steel trends, where output in March 2026 remained nearly 17% below March 2025, despite a modest monthly improvement.

Manufacturing output also fell by 2.0% over the three months to February 2026, confirming sustained rather than cyclical weakness in industrial activity. Overall conditions remain fragile, with limited signs of recovery in investment-linked manufacturing.

### South African Mining: PGM-led growth masks underlying weakness



Mining production rose 9.7% year-on-year in February 2026, driven mainly by PGMs (+52.3%), with support from manganese, chromium, and gold. However, iron ore (-12.4%) and coal (-6.7%) were key drags.

On a seasonally adjusted basis, output increased 2.3% month-on-month, but fell 1.7% over the three months to February 2026, led by iron ore weakness.

Overall, growth remains concentrated in a narrow set of commodities, while bulk minerals remain under pressure.

### South African Auto Market: Domestic Demand Strengthens, Export Volumes Weaken (April 2026)

New vehicle sales rose 13.0% year-on-year to 47,979 units, the strongest April since 2013, driven by passenger, light commercial, and truck segments. Dealer and rental demand remained the primary support.

In contrast, exports fell 4.0% year-on-year to 30,939 units, signalling softer external demand conditions.

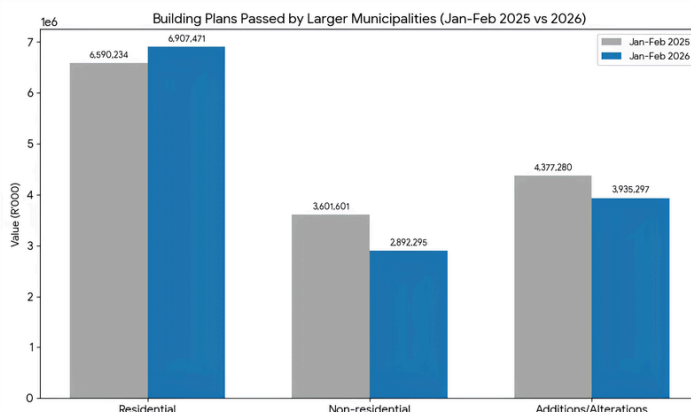
Overall, the market reflects resilient domestic consumption supported by financing conditions, while export competitiveness is beginning to soften amid a weaker global environment.

### South African Construction Pipeline Weakens as Non-Residential Activity Contracts (Jan-Feb 2026)

Building plans passed fell 5.7% year-on-year to R13.7 billion, driven by a sharp drop in non-residential buildings (-19.7%) and additions and alterations (-10.1%).

Residential activity rose 4.8%, led by flats and townhouses (+25.8%), while single dwellings declined (-4.5%).

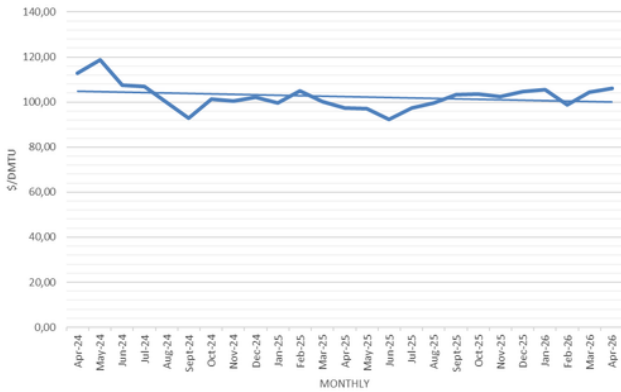
The decline was mainly driven by the Western Cape and Mpumalanga, partially offset by gains in Limpopo and North West.





## INTERNATIONAL STEEL PRICES

Iron ore, cfr spot (\$/dmtu) IRON\_ORE

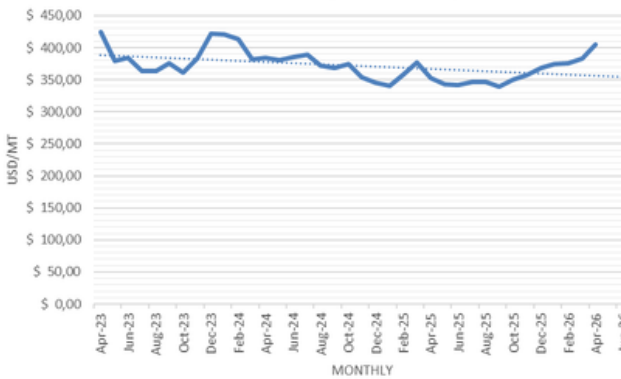


**APRIL 2025: \$97.24/DMT → APRIL 2026: \$106.05/DMT (+9.1%)**

The Iron Ore CFR Spot price increased from USD 97.24/dmtu in April 2025 to USD 106.05/dmtu in April 2026, reflecting a year-on-year increase of USD 8.81/dmtu, or approximately 9.1%.

Prices eased late April as portside cargo restrictions lifted, allowing mills to resume buying and rebuild inventories. Port stocks also weakened on expectations of higher cargo inflows, improving near-term supply. Overall, the market stayed relatively tight, limiting any significant price decline.

LME Steel Scrap SC USD/mt

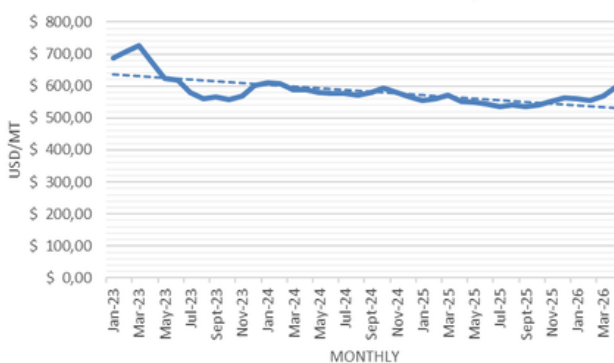


**APRIL 2025: \$353/MT → APRIL 2026: \$405/MT (+14.6%)**

The LME Steel Scrap price increased from USD 353.05/mt in April 2025 to USD 404.73/mt in April 2026, representing a year-on-year increase of USD 51.68/mt, or approximately 14.6%.

This upward movement suggests a notable strengthening in global scrap market conditions over the 12-month period. The increase likely reflects a combination of tighter scrap availability, stronger international steel production activity, elevated raw material demand, and higher energy and logistics costs feeding into global metallics pricing. The April 2026 price also marks the highest level recorded since early 2024, indicating renewed bullish sentiment in the ferrous scrap market.

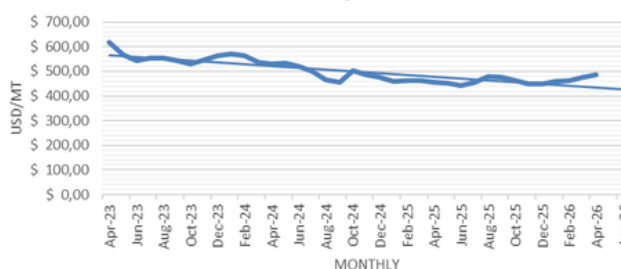
LME Steel Rebar SR USD/mt



**APRIL 2025: \$553/MT → APRIL 2026: \$597/MT (+7.9%)**

The LME Steel Rebar price increased from USD 552.88/mt in April 2025 to USD 596.50/mt in April 2026, representing a year-on-year increase of USD 43.62/mt, or approximately 7.9%, reflecting improved price realisations amid tighter supply conditions.

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



**APRIL 2025: \$456/MT → APRIL 2026: \$487/MT (+6.8%)**

The LME Steel HRC FOB China (Argus) price increased from USD 456.14/mt in April 2025 to USD 486.95/mt in April 2026, reflecting a year-on-year increase of USD 30.81/mt, or approximately 6.8%.

The increase indicates a moderate recovery in global hot rolled coil (HRC) prices after the relatively weak market conditions experienced throughout much of 2024 and early 2025. While prices remain significantly below the historic highs recorded during the 2021–2022 commodity cycle, the April 2026 level suggests that international steel markets have regained some stability amid improving industrial demand and firmer raw material costs.



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