JUNE 2026

steel Matters

GLOBAL STEEL POLICY HAS SHIFTED

South Africa Must Complete the Trade and Policy Reform

INSIDE THIS ISSUE

Global Steel Policy & SA Reform Agenda

- How the world changed the rules
- EU introduces 50% tariff on steel imports exceeding new quota
- UK tightens steel quotas; US reinforces industrial support
- South Africa faces growing risk of trade diversion
- Urgent need for import control, faster trade remedies, & Industrial support

Output, Trade, & Market trends

- SA output down 14.6% year-on-year while Africa output is up by 10.3%
- Total imports increased by 41.5% year-on-year to 172,512 tonnes in May 2026.
- Steel Consuming Sectors — Building plans passed, vehicle sales, & mining signal recovery while manufacturing drags

steel Matters

UNDER PRESSURE DESPITE REGIONAL GLOBAL GROWTH

GLOBAL STEEL POLICY HAS SHIFTED - SOUTH AFRICA MUST COMPLETE THE TRADE AND POLICY REFORM

The global steel industry reached an inflection point in 2026. Governments are no longer relying solely on conventional trade remedies to protect domestic industries. Instead, they are deploying integrated trade and industrial policies that combine tariffs, quotas, import surveillance, industrial incentives and strategic procurement to preserve steelmaking capacity and strengthen economic resilience.

The Global Trade Alert (GTA) June 2026 Executive Summary highlights this shift. During June alone, the European Union introduced a new steel import quota regime, the United Kingdom tightened steel quotas, the United States reinforced its industrial support framework, while several jurisdictions introduced new trade defence measures and strategic investment programmes.

For South Africa, this presents both a warning and an opportunity.

The implementation of the revised tariff structure under ITAC Report 764, together with recent safeguard and anti-dumping measures, marks an important first step. However, the review was never intended to be solely about tariffs. It proposed a broader reform agenda that now requires urgent implementation, including a national steel import surveillance system, a permanent Section 14 Steel Monitoring Committee, stronger customs enforcement, faster trade remedy investigations and, where justified, a review of South Africa's tariff policy flexibility under Article XXVIII of the GATT.

The Global Benchmark Has Changed

The world's largest economies are actively managing steel imports.

The European Union replaced its safeguard regime with a new 18.3 million tonne tariff-rate quota (TRQ) effective 1 July 2026. Imports exceeding the quota now face a 50% tariff, while half the quota is reserved for Free Trade Agreement partners, reflecting a deliberate strategy to protect European steel production and secure strategic supply chains.

The United Kingdom has tightened steel quotas, while the United States continues to combine Section 232 measures with industrial incentives and domestic procurement policies.

At the same time, Australia, South Korea and SACU have introduced new trade defence measures on steel products.

The message is clear. Governments are moving beyond reactive trade remedies towards proactive import management.

South Africa Must Respond Faster

As major markets tighten access, surplus steel will increasingly seek alternative destinations.

South Africa therefore faces a growing risk of trade diversion, particularly as global overcapacity persists. While the country has strengthened tariff protection, trade policy remains slower than that of many competing jurisdictions.
Trade remedy investigations often take many months—and sometimes years—to conclude. By then, market share has been lost, investment delayed and production reduced.

GLOBAL STEEL POLICY HAS SHIFTED SOUTH AFRICA MUST COMPLETE THE REFORM AGENDA

In today's steel market, speed matters as much as protection.

This is precisely why the outstanding recommendations of ITAC Report 764 are so important. Enhanced import surveillance and continuous market monitoring would enable government to detect import surges earlier and intervene before significant market injury occurs.

Government Support Must Match Global Ambition

Trade measures alone will not secure South Africa's steel industry.

The GTA report shows that governments are pairing trade protection with significant industrial investment. The United States continues financing strategic manufacturing, Italy has expanded renewable energy support, South Korea has announced almost US$1 trillion in industrial investment, and Brazil has increased funding for its national industrial strategy.

Steel is increasingly being supported as a strategic industry—not simply protected through tariffs.

South Africa's recent reforms are welcome, but they remain modest compared with the scale and coordination of interventions adopted internationally.

From Tariff Reform to Implementation

The next phase should focus on implementing the remaining recommendations of ITAC Report 764:
Establish a Section 14 Steel Monitoring Committee to coordinate government and industry responses.
Implement a national steel import control and early warning system.
Strengthen customs enforcement against under-invoicing, tariff circumvention and product misclassification.
A review of South Africa's tariff policy flexibility under Article XXVIII of the GATT.

Looking globally, the European Union, United Kingdom and United States, amongst others, are no longer relying on tariffs alone, they are implementing coordinated trade and industrial strategies to preserve domestic steelmaking capacity.

South Africa has made important progress through ITAC Report 764. The challenge now is to complete the reforms.

The objective is not greater protection for its own sake. It is to build a modern trade framework that responds quickly to global market distortions, supports investment, preserves strategic industrial capability and positions South Africa's steel industry to compete in an increasingly protectionist world.

The second half of 2026 should mark the transition from tariff reform to full implementation.

JUNE 2026

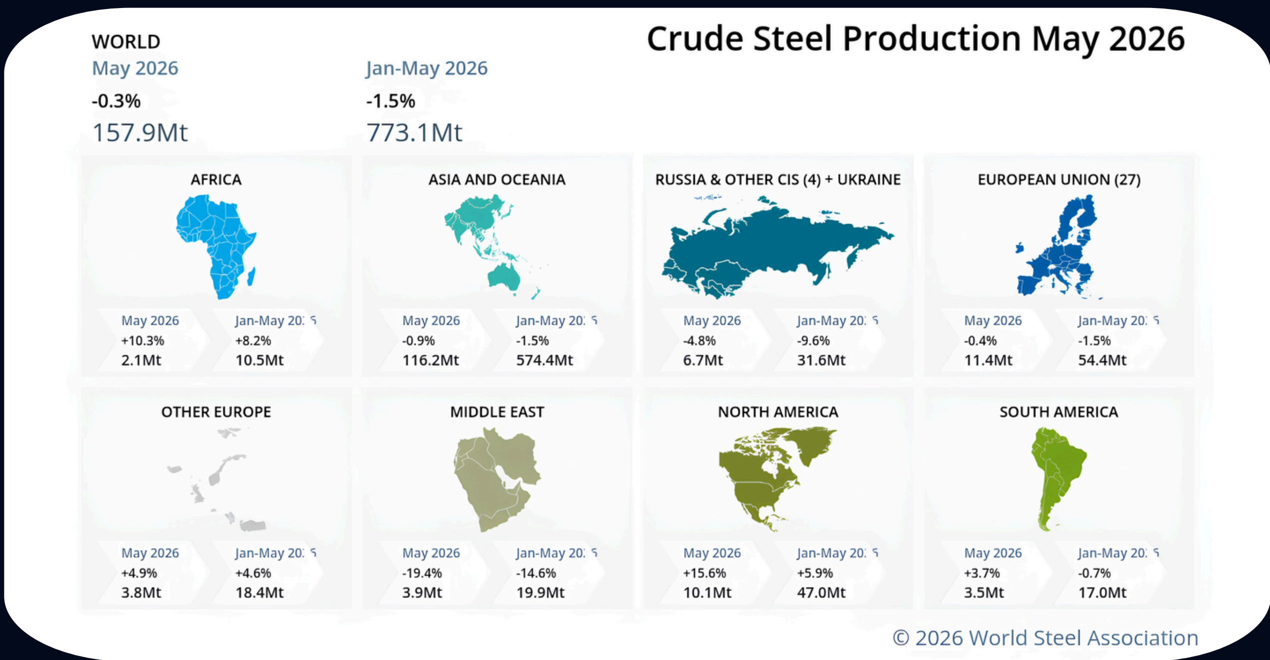
SteelMatters

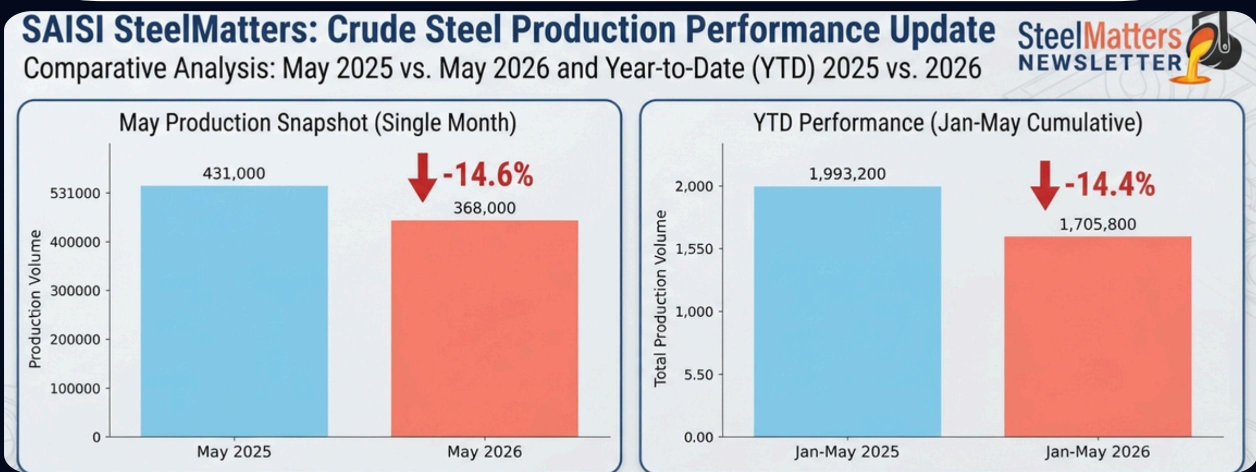
SOUTH AFRICAN CRUDE STEEL PRODUCTION REMAINS UNDER PRESSURE DESPITE REGIONAL GLOBAL GROWTH

Global crude steel production totalled 157.9 million tonnes in May 2026, a marginal 0.3% decline compared with May 2025. Although global output remained largely stable, regional performance varied significantly. Africa recorded the strongest growth, with production increasing 10.3%, while Asia and Oceania and the European Union recorded declines of 0.9% and 0.4%, respectively.

Despite the improvement across Africa, South Africa's crude steel production continued to deteriorate. Output declined 14.6% year-on-year to 368,000 tonnes in May 2026, compared with 431,000 tonnes in May 2025. For the first five months of 2026, production totalled 1.71 million tonnes, a 14.0% decline from 1.99 million tonnes over the same period in 2025.

The divergence between Africa's growth and South Africa's continued decline highlights the country's ongoing competitiveness challenges. Weak domestic demand, high production costs, logistics and energy constraints, together with sustained import pressure, continue to weigh on the performance of the local primary steel industry.



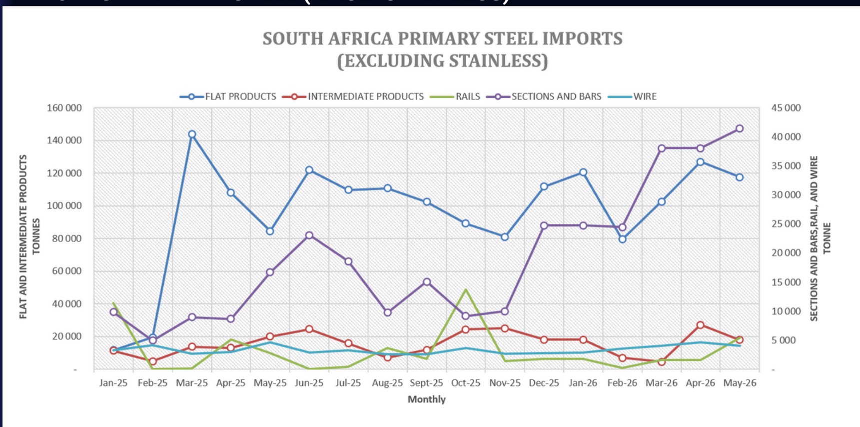


JUNE
2026

SteelMatters

PRIMARY STEEL TRADE STATISTICS

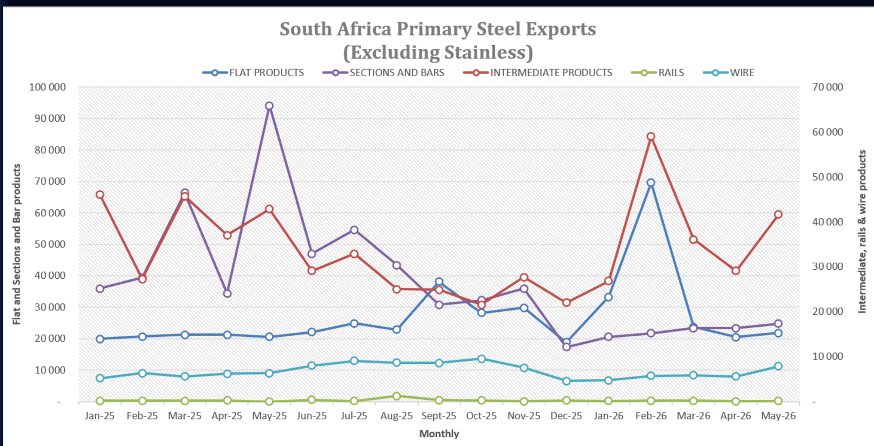
IMPORTS: PRIMARY STEEL (EXCL. STAINLESS)



Imports of primary carbon, alloy, and other steel (excluding stainless, wire & rails) increased 41.5% to 172,512 tonnes in May 2026, up from 121,903 tonnes in May 2025.

- Flat products increased 32.9% to 113,140 tonnes, driven by a sharp rise in hot-rolled coil, sheet and plate coil, which nearly quadrupled to 47,436 tonnes.
- Sections and bars surged 147.9% to 41,422 tonnes, reflecting substantial increases in wire rod (+2.414%), reinforcing bar (reached 4.916 tonnes and other bars and rods (+68.5%).
- Intermediate products declined 10.5% to 17.950 tonnes, primarily due to lower imports of billets, blooms and slabs.

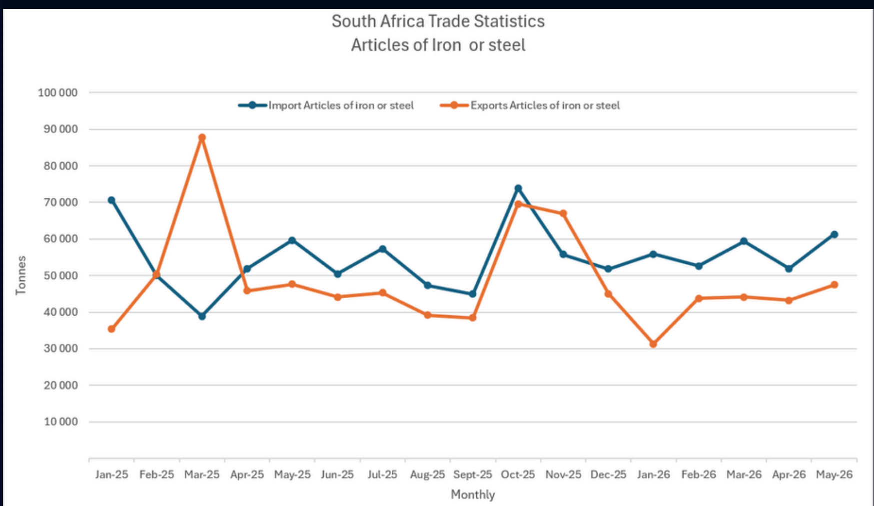
EXPORTS: PRIMARY STEEL (EXCL. STAINLESS)



Exports of primary carbon, alloy and other steel declined 44.1% to 88.143 tonnes in May 2026, compared with 157.551 tonnes in May 2025.

- Sections and bars recorded the sharpest decline, falling 73.7% to 24.741 tonnes. The contraction was driven by significantly lower exports of wire rod (-99.8%), reinforcing bar (-51.1%) and other bars and rods (-81.1%), partially offset by higher exports of hot-rolled sections (+29.1%).
- Intermediate products remained relatively stable, declining 2.9% to 41.622 tonnes.
- Flat products increased 6.1% to 21.780.

VALUE-ADDED STEEL PRODUCTS



Downstream steel imports increased 2.8% to 61,267 tonnes in May 2026, from 59,606 tonnes in May 2025.

- Growth was driven by higher imports of small welded tubes and pipes (+22.9%), seamless tubes and pipes (+31.3%), railway material (+94.0%), screws, bolts and nuts (+13.5%), and tanks and containers.

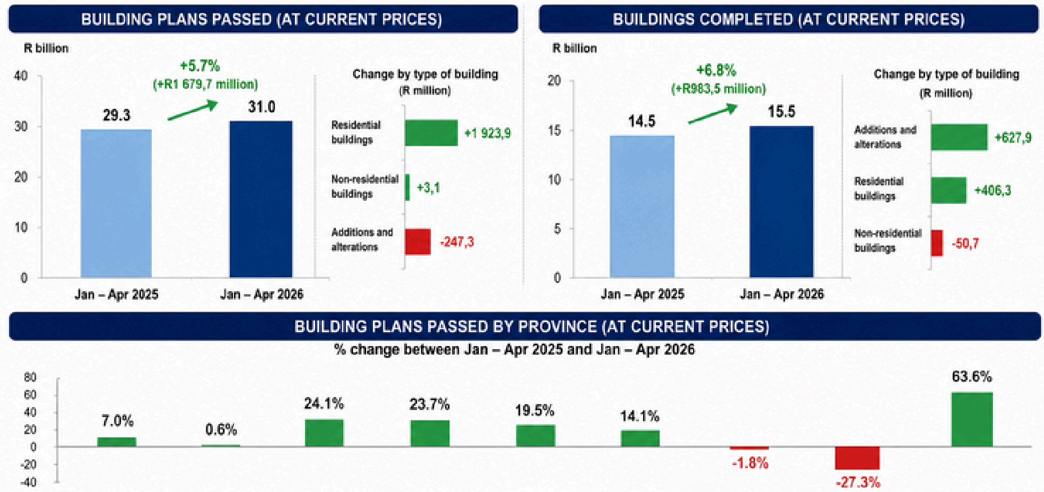
Downstream steel exports remained broadly unchanged at 47,423 tonnes in May 2026, compared with 47,590 tonnes in May 2025.

- Higher exports of structural steel (+31.6%), drawn carbon steel wire (+28.3%), small welded tubes and pipes (+27.3%) screws, bolts and nuts (+42.3%) were largely offset by lower exports of seamless tubes and pipes (-65.5%), cloth, grill and netting (-53.3%), and large welded pipes (-79.3%).

saisi.org
saisi@saisi.org
South African iron and Steel Institute

SteelMatters

BUILDING ACTIVITY – JANUARY TO APRIL 2026



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
Jan – Apr 2025 (R million)	10 489,7	1 938,0	251,8	942,8	4 108,6	885,1	7 996,9	2 034,5	658,8
Jan – Apr 2026 (R million)	11 226,0	1 949,2	312,5	1 166,4	4 911,4	1 009,8	7 853,3	1 479,7	1 077,7
Change (R million)	736,2	11,2	60,7	223,6	802,8	124,7	-143,7	-554,7	418,9
Contribution (% points)	2.5	0.0	0.2	0.8	2.7	0.4	-0.5	-1.9	1.4

[1] Contribution (percentage points) = (percentage change x weight) / 100, where the weight is the percentage contribution of each province to the cumulative total building plans passed during the previous year.

Building Activity Shows Continued Recovery

- The value of building plans passed increased 5.7% year-on-year to R31.0 billion during January–April 2026, driven primarily by a 14.1% increase in residential buildings, particularly flats and townhouses (+25.8%).
- The value of buildings completed also strengthened, rising 6.8% over the same period, supported by higher residential construction and additions and alterations.
- Regionally, KwaZulu-Natal, the Western Cape and Limpopo recorded the strongest growth in building plans passed, while Mpumalanga and Gauteng contracted.

Government Procurement Supports Vehicle Sales

New vehicle sales increased 15.3% year-on-year to 54,482 units in June 2026, marking the strongest June performance since 2007. Growth was driven by passenger vehicles (+18.1%), light commercial vehicles (+8.4%) and heavy trucks and buses (+15.9%). Notably, government fleet procurement increased significantly, with passenger vehicle purchases rising 22.1% and light commercial vehicle acquisitions 41.8%, indicating stronger public sector spending that supports domestic manufacturing demand.

However, the 6.9% decline in vehicle exports remains a headwind for export-oriented vehicle assembly and associated steel demand.

Mining Production Rebounds

South Africa's mining production increased 8.2% year-on-year in April 2026, driven by strong growth in PGMs (+36.5%), manganese ore (+19.0%) and chromium ore (+17.5%), partially offset by a 5.8% decline in coal production.

On a seasonally adjusted basis, mining production increased 3.3% month-on-month and 2.4% over the three months to April, pointing to strengthening momentum.

Manufacturing Production Continues to Weaken, Reinforcing Pressure on Steel Demand

South Africa's manufacturing sector remained under pressure in April 2026, with production declining 2.9% year-on-year, reflecting continued weakness across several key industrial sectors. The largest negative contribution came from the basic iron and steel, non-ferrous metal products, metal products and machinery division, which contracted by 6.0%, reducing overall manufacturing output by 1.4 percentage points. Other major steel-consuming sectors also weakened, with motor vehicles, parts and accessories and other transport equipment declining 11.0%, while wood and wood products, paper, publishing and printing fell 10.0%.

The short-term trend also deteriorated, with seasonally adjusted manufacturing production declining 2.7% month-on-month in April, reversing the modest recovery recorded in March.

ARCELORMITTAL SOUTH AFRICA SPEAKS AT STEELRADAR GLOBAL STEEL SUMMIT 2026 IN TÜRKIYE.

ArcelorMittal South Africa was recently invited to speak at the Turkish Global Steel Summit 2026 hosted by SteelRadar in Çeşme, İzmir. The forum brought together 400 participants from the global iron and steel industry from over 25 countries, including a representation from the Africa region.

Discussions were centred around structural transformations underway across the industry, driven by factors such as raw material volatility, logistics and energy cost pressures, technological shifts, carbon regulations, excess capacity, and evolving trade dynamics. Notably, Africa was recognised as one of the regions with highest growth potential in coming years.

During the Flat Steel Panel, Franck WANDJI underscored the global landscape and structural shifts in the steel industry as common causes in many regions. Drawing on the African experience, he outlined the continent's outlooks and industrialisation path, positioning Africa as one of the growth frontiers for the iron and steel industry.

He furthermore outlined ArcelorMittal South Africa's footprint as a leading producer of quality steel products and solutions in the region, emphasising its critical role in local raw material transformation and support to high-value downstream industries in sub-Saharan Africa.

ArcelorMittal South Africa's presence at the summit, along with its leadership and experience in the region, was widely recognised and commended by participants.

ArcelorMittal

PROMOTING ASTRONOMY AND SPACE CAREERS AMONG YOUNG LEARNERS

The ArcelorMittal Saldanha Science Centre and the South African Astronomical Observatory (SAAO) jointly organised a two-day outreach programme to encourage learners in the early childhood development (ECD) and general education and training (GET) phases to pursue careers in astronomy and space-related fields.

At Vital Connection ECD Centre, Grade R learners took part in interactive, hands-on activities and had the special opportunity to observe the sun safely through solar-viewing glasses donated by the SAAO team. This generated great excitement and introduced learners to astronomy in a fun, memorable way.
At Masiphatisane Primary School, learners actively participated in crafting their own binoculars while learning intriguing astronomy facts shared by the SAAO team. The activity fostered curiosity and demonstrated how science can be both practical and enjoyable.

At Middelpos Primary School, GET phase learners built their own telescopes and gained a deeper understanding of space, astronomy, and potential career opportunities in the space sector. The activity helped learners to connect science learning with real future possibilities.

This highly successful collaboration emphasised the significance of introducing young learners to science, technology, and astronomy from an early age.
Through these engaging activities, learners were inspired to explore the universe and consider space-related careers as potential future options.

ArcelorMittal