

SEPTEMBER 2026

steel Matters



INSIDE THIS ISSUE



KEY ISSUES

- Trade-defence measures have strengthened; enforcement and customs coordination must now keep pace.
- Primary steel imports rose 53.4% year on year in August; exports fell 12.1% year to date.
- Global excess capacity and weaker production continue to pressure the domestic industry.
- Building and mining demand remain weak; vehicle demand is mixed.
- Mixed international steel prices reinforce the case for resilience, policy certainty and decarbonisation investment.



SOUTH AFRICA'S STEEL DEFENCE HAS STRENGTHENED. NOW IT MUST BE ENFORCED

South Africa has materially strengthened its steel trade-defence framework. Tariffs, safeguards and anti-dumping measures now provide significantly greater protection against unfair trade.

But stronger measures only work if they are effectively enforced.

Two issues deserve particular attention: circumvention of trade remedies and undervaluation of imports. Both can materially weaken the intended effect of trade policy, distort competition and undermine confidence in the domestic market.

Circumvention can erode trade defence

Trade remedies are designed to address a specific market problem. Their effectiveness depends on imports remaining within the scope of the measure for which the remedy was imposed.

Industry submissions, supported by trade data and documentary evidence, have identified import patterns indicating potential circumvention, including changes in tariff classification, product specifications and sourcing following the introduction of trade remedies.

Industry has provided evidence of serious and escalating customs non-compliance. The responsibility now rests with the authorities to test that evidence and, where non-compliance is established, take enforcement action.

This is particularly important in steel because relatively small changes in product description, chemical composition, dimensions or classification can affect the applicable tariff treatment.

A sudden shift in imports from a product subject to a trade measure to a closely related tariff heading should therefore be treated as a customs risk indicator, not simply as a change in trade statistics.

Effective enforcement requires the ability to verify the actual product against its declared classification, specification, origin and supporting documentation.

Undervaluation presents another risk

The declared customs value determines the duties payable on an imported product. Where the declared value does not reflect the actual value of the transaction, the consequences extend beyond the individual shipment.

Undervaluation reduces customs revenue, artificially lowers the apparent landed cost of imported steel and places compliant producers at a competitive disadvantage.

Industry data has identified steel imports declared at values that warrant further scrutiny, including transactions where declared values appear materially below input material cost.

The question is not whether imported steel should be cheap. The question is whether the declared value accurately reflects the underlying transaction.

This distinction is important. South Africa should welcome competitively priced imports where they are legitimate. What it cannot afford is competition based on inaccurate declarations.



SOUTH AFRICA'S STEEL DEFENCE HAS STRENGTHENED. NOW IT MUST BE ENFORCED

Global conditions increase the risk

The Global Forum on Steel Excess Capacity projects global excess capacity rising from 601 million tonnes in 2024 to 745 million tonnes by 2028.

As major markets strengthen trade defences, pressure to redirect steel towards less protected markets will increase. South Africa must therefore monitor not only import volumes, but also changes in classification, specifications, values, origin and trade flows following new trade measures.

This is not an argument against imports. It is an argument for ensuring that imported steel competes fairly and transparently.

Trade defence must create space for investment

Trade defence should support, not replace, competitiveness.

For SAISI members, policy certainty is essential to investment in productive capacity, technology and higher-value products.

A stronger domestic steel industry strengthens downstream supply security and reduces exposure to global disruptions. But competitiveness also depends on reliable electricity, rail, ports and logistics.

Where local capability exists, policy should support its retention and expansion. Where it does not, appropriate rebate mechanisms should preserve access to critical products.

The objective is not fewer imports, but a stronger, more competitive and resilient steel industry with the confidence to invest.

The test is whether the policy works

South Africa has strengthened its steel trade-defence framework. The immediate test is enforcement.

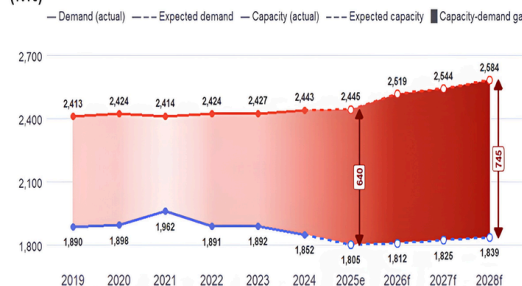
Industry has submitted evidence of serious customs non-compliance, including circumvention and undervaluation.

This requires stronger trade intelligence, technical verification, valuation controls and SARS-ITAC coordination.

Imports must compete fairly, duties must be properly assessed, and domestic producers must have the confidence to invest.

The defence has been strengthened. Now enforcement must make it work.

Figure 1. Global steel excess capacity continues to surge towards 745 Mt
(Mt)



Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

Enforcement is part of trade policy

Trade defence does not end with the introduction of tariffs, safeguards or anti-dumping measures. Its effectiveness ultimately depends on enforcement.

This requires stronger integration between trade policy and customs enforcement, with a focus on trade intelligence, product verification and customs valuation.

Import patterns that signal changes in classification, origin, product specifications or declared values should trigger appropriate risk assessment and verification.

The objective is straightforward: ensure that trade measures are effective, customs obligations are met and legitimate market participants compete on a level playing field.

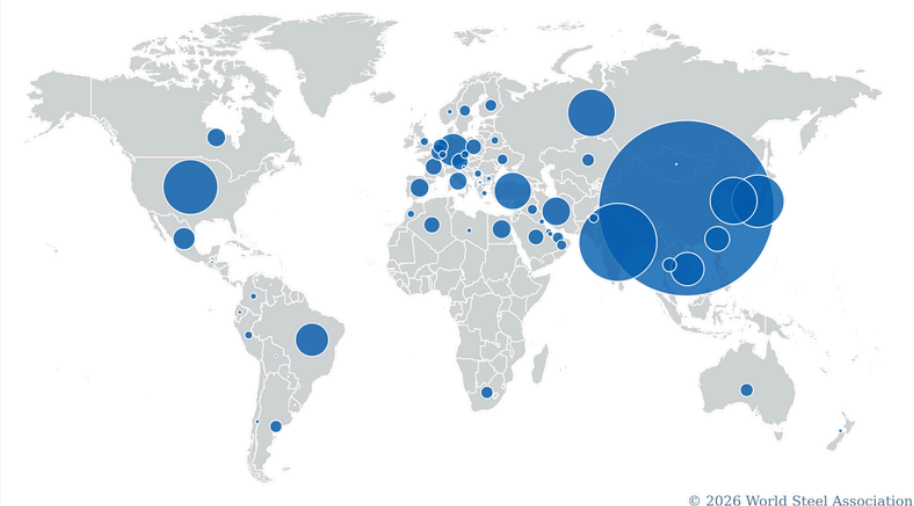


CRUDE STEEL PRODUCTION

Global Crude Steel Production Weakens in August and Year-to-Date

Aug 2026

Crude steel production monthly (thousand tonnes)



Global crude steel production fell 1.2% year-on-year to 144.2 million tonnes in August 2026, driven mainly by China, where output declined 3.7% to 74.6 million tonnes. India and the United States partly offset the decline, with production rising 4.6% and 3.0%, respectively.

From January to August, global production fell 0.7% year-on-year to 1,225.2 million tonnes. China's output declined 3.1% to 651.9 million tonnes, while India increased production by 6.0% to 115.9 million tonnes.

South Africa recorded a modest 1.6% year-on-year increase in August to 370.2 thousand tonnes, but this did little to reverse the significant decline in production from January to August.

Global steel production remains under pressure, led by China's contraction. South Africa's August improvement is positive, but the year-to-date decline remains the clearer indicator of continued weakness in domestic steel production.

Decarbonisation of the Steel Industry: 2026 Update

The World Steel Association has released its 2026 update on the decarbonisation of the steel industry, highlighting the technologies and strategies needed to reduce emissions while meeting growing global steel demand.

The 2026 update examines the steel industry's decarbonisation pathway, including lower-carbon production technologies, material efficiency, steel reuse and circular construction practices.

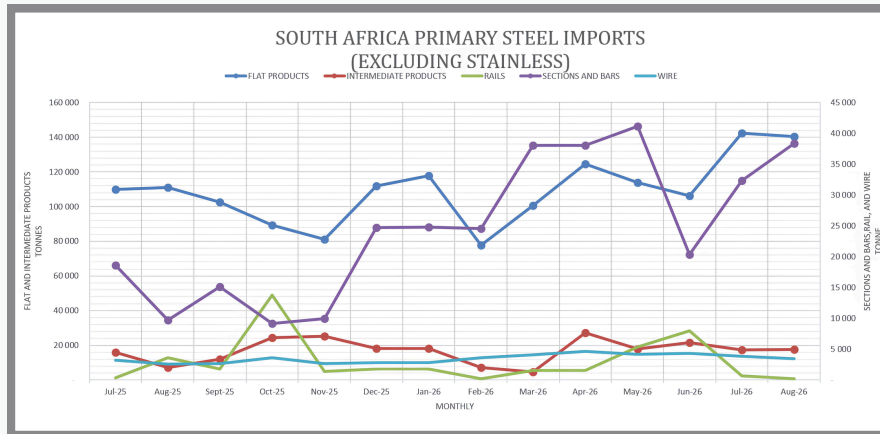
Read the [World Steel Association 2026 white paper](#)





PRIMARY STEEL TRADE STATISTICS

IMPORTS: PRIMARY STEEL (EXCL. STAINLESS, WIRE, & RAIL)



Steel imports surge 53% in August

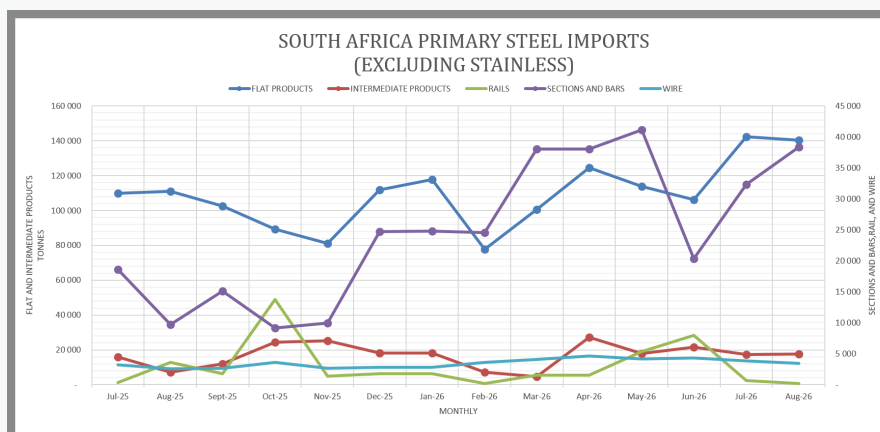
South African primary imports of carbon, alloy and other steel products (excluding stainless, wire & rail) jumped 53.4% year-on-year to 196,442 tonnes in August, from 128,086 tonnes in August 2025.

The increase was led by cold-rolled sheet, which surged 430% to 40,267 tonnes, while painted/coated sheet rose 148% to 34,737 tonnes. Wire rod increased sharply to 11,394 tonnes from just 88 tonnes a year earlier. Other bars and rods rose 127% to 12,921 tonnes, while HR sections increased 240% to 7,213 tonnes.

The increase was partly offset by lower imports of HD galvanised sheet and HR coil/sheet.

January–August imports reached 1.31 million tonnes, up 19% year-on-year, with the August surge marking a significant acceleration in monthly import volumes.

EXPORTS: PRIMARY STEEL (EXCL. STAINLESS, WIRE & RAIL)



Steel exports remain under pressure

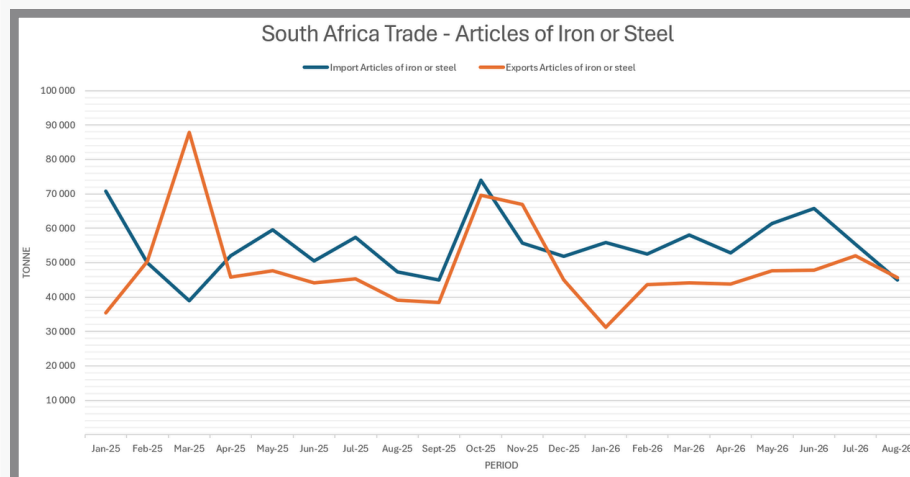
South African exports of carbon, alloy and other steel products were broadly flat year-on-year in August, at 91,642 tonnes, compared with 91,245 tonnes in August 2025. However, the year-to-date trend remains weak, with January–August exports down 12.1% to 768,709 tonnes.

The YTD decline is dominated by reinforcing bar, down 46.8% to 95,681 tonnes, and wire rod, which fell 98.8% to just 1,359 tonnes. These declines more than offset strong growth in cold-rolled sheet (+124%), HR coil/sheet and plate coil (+74%), and other bars and rods (+8%).

The August result also masks significant product-level shifts. Other bars and rods surged to 16,755 tonnes, while reinforcing bar fell 22% and wire rod declined 97%.

The contrasting trends, imports up 53% in August while exports were broadly flat point to a widening trade imbalance in several steel product categories.

VALUE-ADDED STEEL PRODUCTS



Downstream steel imports declined by 4.7% year-on-year, from approximately 47,253 tonnes to 45,032 tonnes. The decline was primarily driven by lower exports of railway material, steel structures, kitchen and household articles, and seamless tubes and pipes. These declines more than offset increases in articles of wire and other steel products, welded small-diameter tubes and pipes, wire rope and cables, and drawn wire.

Exports declined by 11.8% year-on-year in August 2026, falling from approximately 51,701 tonnes in August 2025 to 45,623 tonnes. The decline was driven by lower exports of wire rope and cables, barbed wire, seamless tubes and pipes, cloth, grill and expanded metal products, and railway material. While selected downstream categories recorded increases, these were insufficient to offset the broader decline in steel-related exports.



Construction demand remains weak

Private building activity remains weak. Stats SA's building data suggest subdued near-term steel demand. For January to July 2026, the value of building plans passed rose 6.3% at current prices but only 1.2% in real terms, while buildings completed fell 10.7% nominally and 14.7% in real terms.

Non-residential activity was weakest: real completions fell 33.3%. At current prices, industrial and warehouse completions fell 42.9%, and in Gauteng they fell 68.2%. Plans for flats and townhouses rose 21.1%, but completions of these still fell 14.1% (both at current prices).

A modest recovery in the building pipeline is not yet translating into stronger steel demand.

Vehicle sales rise, but steel signal weakens

South Africa's vehicle sales rose 12.7% in September, but exports fell 18.8%. Year to date, domestic sales are up 12.5%, while exports are down 10.0%, driven by a 29.9% decline in light commercial exports.

For steel, the export trend is more important than headline sales, as it provides a stronger indication of locally produced vehicle activity. The data therefore point to a mixed automotive outlook for domestic steel demand.

Mining and manufacturing: July 2026

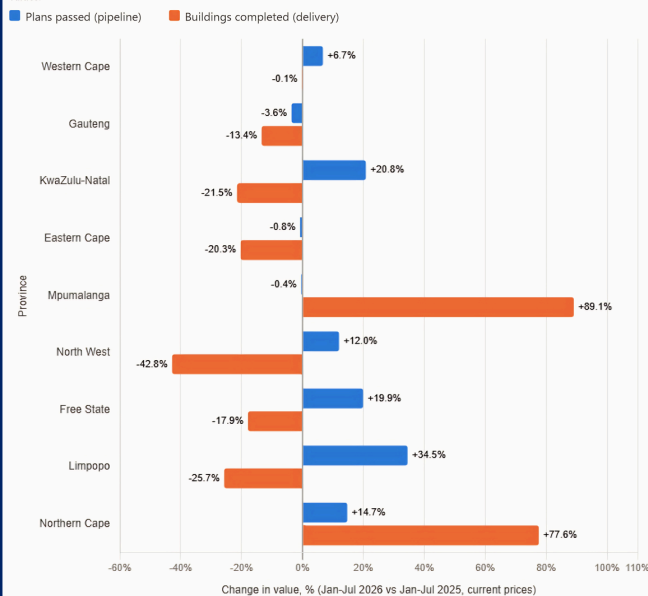
Downstream steel demand remains relatively resilient, while domestic primary steel production continues to weaken.

Mining: Production fell 7.5% year-on-year, with PGMs, coal and iron ore the main drags. This points to weaker steel demand from mining-related investment and consumables.

Manufacturing: Production rose 1.1% y/y, but basic iron and steel output fell 12.2%, with sales down 15.1%. Structural metal products rose 11.0% and special-purpose machinery 6.3%, indicating continued activity among key steel users.

Building plans passed and buildings completed, by province

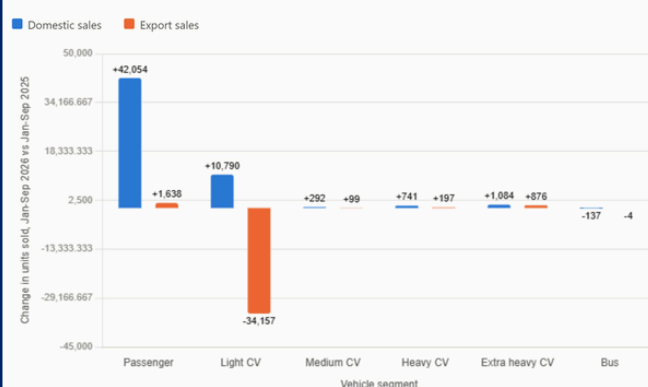
Change Jan-Jul 2026 versus Jan-Jul 2025, value at current prices. Provinces ordered by size of 2025 plans passed. Hover a bar for real values.



Source: Statistics South Africa, P5041.1 (preliminary), July 2026, Tables B and F. Private sector, larger municipalities; excludes most low-cost housing and public-sector building. Mpumalanga and Northern Cape completions rise from small 2025 bases (R471m and R118m).

Change in new vehicle units by segment, domestic versus export

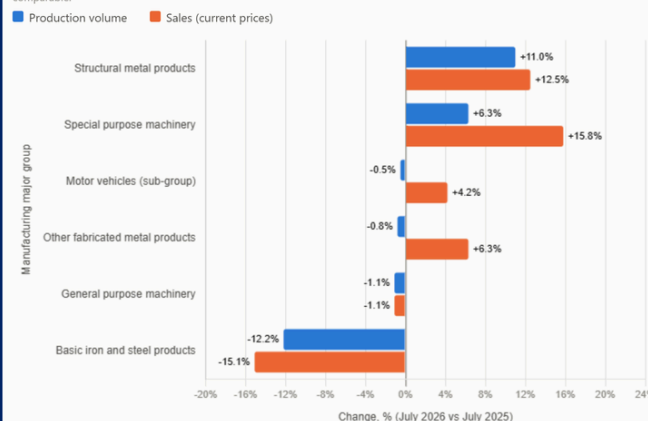
Jan-Sep 2026 versus Jan-Sep 2025, units. Domestic growth is mostly passenger vehicles; the export loss is almost entirely light commercials.



Source: naamsa, September 2026 industry new vehicle sales (1 October 2026). Segments per naamsa: light CV under 3,501 kg; medium 3,501-8,500 kg; heavy 8,501-16,500 kg; extra heavy over 16,500 kg; bus over 8,500 kg. Totals: domestic +54,824 units; export -31,351 units.

Steel-related manufacturing, July 2026: volume versus sales

Year-on-year change, July 2026 versus July 2025. Volume is real production; sales are at current prices, so the two are not strictly comparable.



Source: Statistics South Africa, P3041.2 Manufacturing: Production and sales (preliminary), July 2026, Tables 5 and 12. "Motor vehicles" is the sub-group only; the wider vehicles, parts and transport division is -2.9% in volume. Preliminary figures are subject to revision.

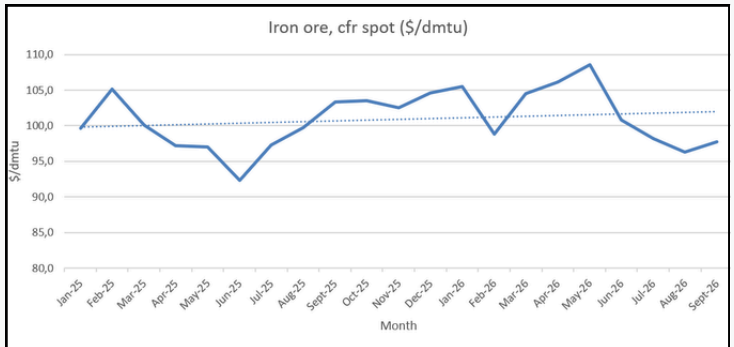


INTERNATIONAL STEEL PRICES

Iron Ore Prices Weaken

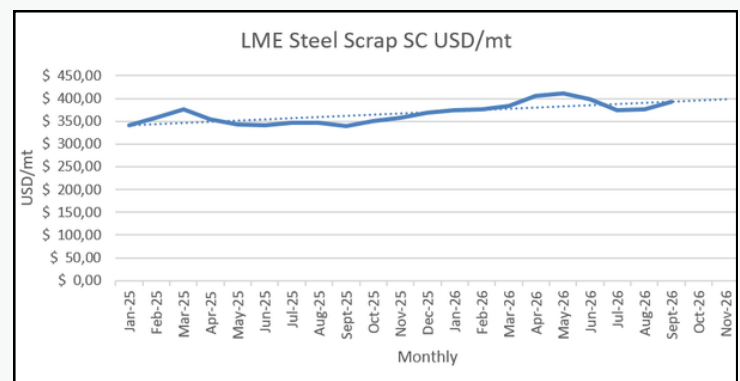
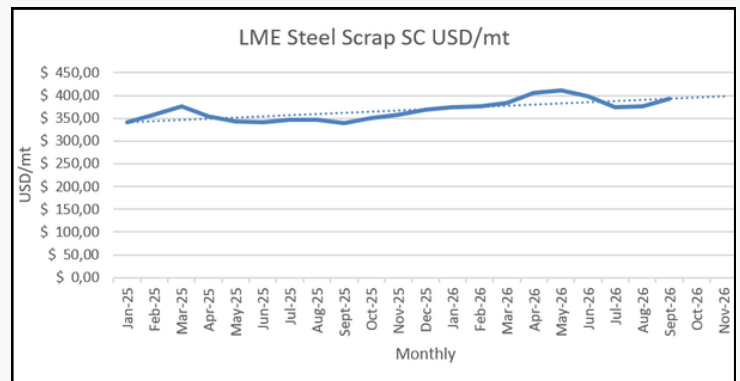
World Bank iron ore prices rose 1.5% m/m to US\$97.7/t in September 2026, but remained 5.4% below September 2025. Chinese 62% Fe prices, however, weakened through the month, falling from above US\$100/t early in September to US\$96.6/t CFR by 25 September, as pre-holiday restocking by steel mills largely ended.

Prices came under further pressure from rising port stocks, weaker steel mill margins and increased blast-furnace maintenance, with lower pig iron production expected to constrain near-term demand.



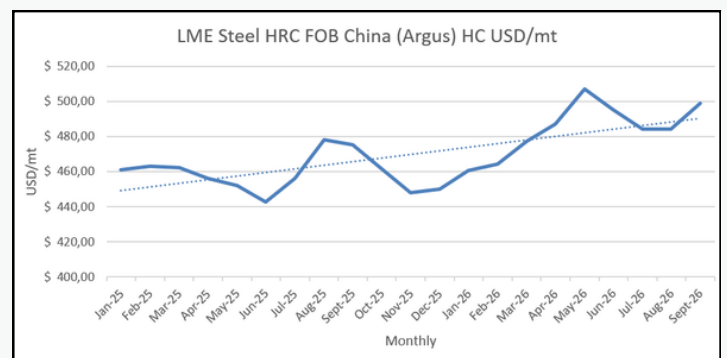
Steel Scrap Prices Strengthen

LME Steel Scrap prices increased 15.9% y/y to US\$393.50/t in September 2026, from US\$339.55/t in September 2025. The US\$53.95/t increase reflects a significant strengthening in scrap values over the past year, with prices also 4.8% higher m/m from US\$375.55/t in August. The increase was supported by reduced scrap availability from the Black Sea region and elevated Asian scrap prices, which have tightened the global market.



Rebar prices remain firmer year-on-year

LME Steel Rebar prices increased 13.8% y/y to US\$609.66/t in September 2026, from US\$535.64/t in September 2025. The US\$74.02/t increase reflects stronger rebar demand and tighter supply, particularly as construction and infrastructure activity improved following the monsoon season. Higher raw-material costs, including rising coking coal prices, have further supported prices, although elevated price levels could constrain further buying.



Chinese HRC Prices Firm on Export Demand

HRC FOB China rose 5.0% y/y to US\$499/t in September 2026 and 3.1% m/m, with physical assessments at US\$498–499/t FOB. Prices were supported by anticipated overseas restocking ahead of China's September and October holidays.

China's HRC exports also turned positive y/y in August, rising 12.5% to 1.67 Mt.

The September price firming reflects improving near-term export demand rather than a broad-based recovery in China's HRC market. With cumulative exports still sharply lower, the sustainability of the price increase remains dependent on external demand.

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