

## SA steel production rises 11% in July to 521,000 tons: worldsteel

South African steel production fell 11% year-on-year in July to an estimated 545,000 tonnes, after rising 6.9% year on year in June to 545,000 tonnes, according to the World Steel Association (worldsteel).

By Helmo Preuss <sup>23 Aug 2016</sup>



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The June result was the first year-on-year increase this year and followed a 16.3% rise in South African steel production to 7.6-million tonnes in 2015, compared with a 2.8% decline in global steel production to 1.622 billion tonnes. In 2015, steel production decreased in all regions except Oceania, which registered a 4.6% gain.

In the first seven months of 2016, South African steel production was down 9.1% year-on-year compared with a 15.6% year on year decline for Africa and a 1.2% year on year reduction for global steel production.

The poor demand was in part due to the government's multi-billion rand infrastructure investment plans failing to gain traction, as investment in steel-intensive railway corridors such as links to Swaziland and the Waterberg coalfields, remain plans, not projects.

In the February 24, 2016 budget, the Treasury outlined plans for R865.4bn in public sector infrastructure spending over the next three fiscal years. The largest portion — R291.6bn — will be invested in the steel-intensive transport and logistics sector.

By contrast, the private sector has invested heavily in the steel-intensive non-residential construction sector with reports of shortages of steel reinforcing bars.

The real value of nonresidential buildings completed soared 57% year on year in the first five months of 2016 as there were large increases in completions of retail, office and banking space in KwaZulu-Natal, while the centre of Sandton currently resembles one large construction site with several large buildings in the process of being built.

Source: *BDpro*

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