
Crisis hits stainless steel industry - SASSDA

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Southern Africa Stainless Steel Development Association said that 2008 was proved to be a tough one for the stainless steel industry. The data showed that despite a good start to the year, the final few months proved difficult and the industry took a knock.

Mr Sampie van Rooyen chairperson of SASSDA said that "The South African stainless steel industry has experienced a volatile year, not unlike global steel markets. We saw a very buoyant South African market for the first six months of the year. However, when global markets collapsed during August to September 2008, we experienced global as well as South African steel markets reversing from buoyancy to total collapse."

Figures showed that apparent consumption was recorded at 185,647 tonnes, down by 5.8% YoY. This is on the back of reduced primary local supply, which was down 2.83% at 132,448 tonnes and reduced finished product imports, which were down 45.42% at 10,846 tonnes.

Mr Rooyen said that "Apparent consumption takes into consideration all consumption, including stocking before the crisis. Demand for steel disappeared with stock levels being very high. The figures are therefore skewed by what the stockiest had already bought and this will be reflected in 2009 figures."

According to SASSDA, it was reported by research group Antaika that China's primary nickel output would grow by 11% in 2009 to 230,000 tonnes and that Chinese stainless steel output was forecast to fall by six percent for the country. It added that in Japan, stainless steel prices were rebounding as demand returned to September 2008 levels before the financial crisis.

(Sourced from www.southafrica.info)

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