



SOUTH AFRICAN REINFORCED CONCRETE ENGINEERS' ASSOCIATION

Construction Centre
12 Skeen Boulevard, Bedfordview
PO Box 1417, Bedfordview 2008

Tel (011) 455-6321
Fax (011) 455-6331

E-mail: sarcea@iafrica.com

PRESS RELEASE: PRICE INCREASES SEPTEMBER AND OCTOBER

To add to the steel shortage problems faced by the rebar industry, it is now facing runaway price increases. Two of the three main rebar producers increased their prices by 3.5% and 5% respectively on 1 September bringing the average increase to date this year to 23 %. The third producer announced an increase of 7.5% for October. One mill has advised of a further increase of 6% in the middle of September in addition to their 1st September increase. It is anticipated that further increases will be announced by the first two. This will take us to an approximate 30% increase this year - at a time when the construction industry is in severe trouble.

In addition to the above, some rebar companies have made the decision to import steel so as to not delay projects that are of importance to the national economy or to their private sector clients. This imported steel comes at an approximate premium of 10% to that of locally manufactured material, not to mention the storage, handling and financing costs that go along with importing large quantities. One also has to be vigilant to ensure that the quality of steel conforms to our local standards, when dealing with steel mills that are generally unknown to the end user.

**C.R. MOUNTFORD
DIRECTOR**