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## **Funding for ArcelorMittal seamless steel tube mill JV in Saudi**

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MEED reported that Luxembourg based steel company ArcelorMittal will complete fundraising for its SAR 2.5 billion seamless steel tube mill in November.

According to bankers working on the project said that local institutions will provide the financing for the project and the Saudi Industrial Development Fund is making a contribution which has not been disclosed yet.

ArcelorMittal began approaching local banks in May. Banque Saudi Fransi, Riyad Bank and Samba are lending money to the project. It is being developed at Jubail on the kingdom's east coast.

A banker involved in the project said that "There is a lot of liquidity in the Saudi banks at the moment so projects looking for funding domestically are attracting a lot of interest."

The plant is JV between ArcelorMittal and the kingdom's Bin Jarallah Group. ArcelorMittal wants to build a seamless tube steel mill with capacity of 600,000 tonnes per year. The plant will supply pipes for the oil industry and it will open in 2011.

ArcelorMittal said that Saudi Aramco has agreed to buy some of the plant's output. It will hold 51% stake in the project and Bin Jarallah will hold 49%. The plant will be the second seamless tube mill in the GCC.

(Sourced from MEED)

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