
ArcelorMittal SA still interested in ZISCO - Report

Saturday, 02 Aug, 2008

ArcelorMittal South Africa said that it remained interested in possibly taking a stake in Zimbabwe Iron & Steel Company.

Ms Nonkululeko Nyembezi Heita CEO of ArcelorMittal SA said that it would be keen to take a stake. She added that "It is not currently in talks with Zisco. Any move to buy a stake in Zisco would be in line with ArcelorMittal South Africa's plans to increase its production in South Africa and other southern African countries to serve the sub Saharan market."

Mr Kobus Verster ED finance of ArcelorMittal SA said that it would be interested in more vertical integration and suggested that it would look at investing in owning or holding stakes in companies which produce steelmaking raw materials. He added that "Any aspirations AMSA may have to invest in iron ore projects are on hold until the company has resolution in its dispute with Anglo American's Kumba Iron Ore on future iron ore supplies."

As a result of a historic agreement ArcelorMittal South Africa sources 6.25 million tonnes per year of its iron ore from KIO's Sishen mine in South Africa at cost plus 3% a significant discount to market prices. ArcelorMittal South Africa also sources 2.5 million tonnes per year from KIO's Thabazimbi mine on the same terms.

ArcelorMittal South Africa wants to buy into the KIO Sishen South expansion project, gaining a supply of iron ore proportionate to its investment. AMSA argues that under the historical agreement it has the right to do this on the same cost plus 3% terms. KIO rejects this claim.

(Sourced from metal bulletin.com)

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