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## Slowdown signs - ArcelorMittal suspends purchase of ferroalloys

Friday, 14 Nov, 2008

Platts reported that ArcelorMittal vide a letter dated November 11th 2008 has told its ferroalloys suppliers that it will not accept any more deliveries of ferroalloys until further notice.

Platts reported that the letter said "We apologize for the speed with which we have had to take this action. You will appreciate that our actions are a direct consequence of the prevailing difficult business environment, which has resulted in curtailment in production at many of our plants."

As per report, the letter avoided using the word cancel or cancellation and just said that "We are unable to accept delivery of any ferroalloys tonnages until further notice."

The letter added that "Until December, operations at around 20 of ArcelorMittal's 28 blast furnaces in Europe would be curtailed and a similar situation existed at its facilities in the rest of the world. We do not know how long this situation will last."

Platts report added that traders and ferroalloys producers described the move by ArcelorMittal as unacceptable, with one European ferrotitanium supplier telling Platts that it had instructed its agent to launch legal proceedings against the steel maker on its behalf.

A US trader predicted a wave of legal actions against ArcelorMittal. He told "It is going to keep the lawyers busy for years. The thing is, you've got a lot of small businesses that won't survive because of this. They will go bust and lose everything. They've got no choice but to sue. Most people are going to draw a line in the sand and say, You can't do this, not the size that you are and they're going to fight this."

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