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## ArcelorMittal SA profit to be boosted by verdict on excessive pricing

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Analysts said that profits of ArcelorMittal South Africa would be boosted by the decision of the Competition Appeal Court to set aside the competition tribunal's excessive steel price ruling against the steel maker.

Mr Shoaib Vayej head of resources at Sanlam Investment Management said that the appeal court's ruling was net positive for the steel maker's earnings. At the same time the ruling would undermine arguments for regulatory interference in the way the steel maker priced its products. He added that "The ruling will give Arcelor more pricing flexibility."

However, Mr Vayej said that the appeal court's ruling would not be the end of the matter. Judge Mr Dennis Davis referred the matter back to the tribunal to calculate the economic value of steel before deciding whether ArcelorMittal SA contravened the Competition Act on flat steel product prices.

Mr Kurt Benn analyst at Cadiz Asset Management said that the share price was unlikely to have been affected by the appeal court ruling as the record ZAR 691.8 million fine the tribunal had imposed was about 1.6% of the steel maker's market value of ZAR 42.3 billion.

Meanwhile, ArcelorMittal SA said that it welcomed the decision to set aside the tribunal's decision, but it was unfortunate that the decision did not bring these proceedings to a conclusion.

(Source from [www.busrep.co.za](http://www.busrep.co.za))

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