

ArcelorMittal at six-year low

SHARES in ArcelorMittal SA, the country's biggest steel producer, have slumped to their lowest level in more than six years because of a struggling construction sector and weak global steel demand triggered by Europe's sovereign debt crisis.

"Construction doesn't look to be picking up despite the government's infrastructure plans," Lonwabo Maqubela, a resource analyst at Stanlib, said. "There's been no activity there."

South Africa is set to embark on a multibillion-rand infrastructure drive as it seeks to boost the domestic economy's competitiveness

and create jobs.

With the decline in the global economy, infrastructure spending is expected to spur growth and reduce unemployment levels.

ArcelorMittal SA, controlled by London-based parent Arcelor-Mittal, has seen its shares fall close to 29% this year.

At 1.15pm yesterday, it was trading at 0.9% lower on the day at R48.86 — its lowest level since November 2005.

Globally, the steel market has been in a slump because of falling demand from countries such as China, whose economies have slowed. — *I-Net Bridge*