

ArcelorMittal SA slumps to R52m loss

STEEL maker Arcelor-Mittal SA yesterday reported a R52m headline loss for the year ended December, compared with previous earnings of R1,4bn, blaming production outages.

Profit from operations plunged 86% and steel shipments were down 7%, with exports falling 26%, *writes Mark Allix.*

But the euro-zone debt crisis and a strike also squeezed margins, as did the slump in SA's construction industry and a decrease in new investments in regional mining.

"(Last year) turned out to be quite a difficult year ... things did not quite go as expected from the second half," CEO Nonkululeko Nyembezi-Heita said yesterday. She said operating costs were severely hit by price increases for raw materials and electricity.

"The results were disappointing but to a certain degree expected," Kagiso Asset Management equity analyst Rubin Renecke said yesterday.