

COLLUSION: ARCELORMITTAL SA COULD BE FINED R3 BILLION FOR PRICE FIXING

JOHANNESBURG — ArcelorMittal South Africa could face a fine of more than R3 billion for price fixing, the Competition Commission said yesterday.

The commission has asked the Competition Tribunal to penalise ArcelorMittal and its smaller competitor, Evraz Highveld Steel and

Vanadium, up to 10% of their annual turnover for collusion.

ArcelorMittal's turnover for 2011 was R31,5 billion while Highveld reported a turnover of R5,5 billion for the year to end-December 2011.

"Evidence before the commission indicates that the steel producers engaged in concerted

practices or had understandings that Highveld would follow Mittal's lead on the pricing mechanism and changes in pricing, including discounts and transport tariffs," it said.

The recommendation to the Competition Tribunal comes four years after a complaint was filed

with the authorities alleging that Mittal and Highveld adjusted their prices for steel products around the same time and with similar percentage increases.

ArcelorMittal spokesperson Themba Hlengani said the company would comment after consulting its lawyers. — Reuters.