

KUMBA IRON ORE

ArcelorMittal supply deal extended

Kumba Iron Ore had agreed to extend an interim supply deal with ArcelorMittal South Africa until the end of the year as the companies wrangle to resolve a dispute over pricing, the iron ore producer said yesterday. Kumba, a unit of Anglo American, said it would supply a maximum of 1.5 million tons of ore to the steel maker, which would pay a fixed price of \$50 (R414) a ton for ore for its Saldanha plant and \$70 a ton for its inland plants. In February 2010 Kumba had suspended an agreement with ArcelorMittal SA under which it had sold iron ore at a discounted price because ArcelorMittal SA had a mining right in Kumba's Sishen mine. The steel maker allowed the right to lapse, though it insists the discount agreement still stands. The companies are discussing the terms of the supply deal after December 31 and until the finalisation of an arbitration hearing. ArcelorMittal SA, which closed 0.11 percent lower at R45.15, was confident the arbitration would rule in its favour. Kumba gained 0.27 percent to close at R554. – Reuters