

STEEL & IRON-ORE

Mittal now expects SIOC arbitration only in second half of 2013

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JSE-listed ArcelorMittal South Africa (Mittal) expects the long-awaited arbitration hearing between itself and the Sishen Iron Ore Company (SIOC), regarding the status of an iron-ore supply agreement, to take place during the second half of 2013.

However, CEO **Nonkululeko**

Nyembezi-Heita said on a conference call last week that the commencement of the process, which was initially scheduled to take place in May, depended on the court date for the appeals hearing relating to a mineral rights dispute at the Sishen property.

The appeal process has been initiated by Imperial Crown Trading (ICT) and the Depart-

ment of Mineral Resources, (DMR), following the High Court judgment delivered in December 2011, which stated that SIOC owned 100% of the rights of the Sishen mine and set aside the grant by the DMR of the prospecting rights to ICT.

“The plan is to have the Supreme Court of appeals hearing in the first quarter of next year, once that outcome is delivered we will then initiate the arbitration,” Nyembezi-Heita noted.

The interim pricing agree-

ment, which Mittal and SIOC had entered into following the dispute, expired at the end of July.

Meanwhile, Mittal and SIOC has agreed on the supply of tonnage short-supplied to Mittal during the previous year, when the Sishen mine was shut.

Tonnage would be supplied from August to December.

However, Nyembezi-Heita said that, while production at Mittal’s Saldanha plant has been reduced, none of the company’s mills were forced to halt production as a result of the iron-ore shortage.