

# No deal yet on supply agreement

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ARCELORMITTAL and Kumba Iron Ore had not been able to conclude an agreement on extending their interim iron ore supply agreement, the two companies separately announced yesterday.

The two had agreed an interim deal in terms of which Kumba supplied ArcelorMittal with iron ore at a discount to market prices.

This followed a dispute ArcelorMittal initiated when Kumba decided last year that it would supply the steel manufacturer with iron ore from Sishen Iron Ore Company (SIOC) at market prices.

Kumba's decision came after ArcelorMittal failed to convert its mining right over a 21.4% share in SIOC as required by law.

Last week, ArcelorMittal CEO Nonkululeko Nyembezi-Heita said during the company's results presentation that a deal on extending the pricing arrangement was imminent and an announcement would be made yesterday.

This has not happened.

"Negotiations with SIOC on an extension of the agreement are continuing as the parties have not yet reached agreement," ArcelorMittal said.

"Shareholders are reminded that the dispute with SIOC and ArcelorMittal SA relating to the validity of the iron ore supply agreement has been referred for arbitration and that negotiations were underway to extend or renew the existing interim pricing which expired on July 31."

The interim pricing agreement has been in place since August last year.

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