



## **The History of ArcelorMittal South Africa**

Hendrik van der Bijl, one of the most influential South Africans of the twentieth century, was the driving force behind the establishment of the South African Iron and Steel Industrial Corporation (IsCOR).

IsCOR, with its first works in Pretoria, was established as a state company in terms of the Iron and Steel Industry Act, No. 11 of 1928. The objectives of establishing the company were,

- to produce iron and a range of
- to create employment opportunities.

Production at the Pretoria plant started in 1934. And on 4 April 1934 the first steel was tapped from the open-hearth furnace at the Pretoria Works.

Wartime needs for steel and the local manufacture of numerous necessities brought about a sharp increase in demand. IsCOR had to expand, and the Pretoria works had reached their limit of growth.

In 1941 Dr. van der Bijl and his fellow directors decided that expansion in a new area had become necessary.

The idea of a new steelworks in Vereeniging was revived. For the immediate war needs it was decided to begin by building a plate rolling mill planned in such a way that it could later form part of a large integrated steelworks.

The situation of the terrain along the Vaal River west of Vereeniging made it ideal for development. There was sufficient slope for drainage towards the river and the area was downstream from the Rand Water Board's pumping station intake. The heavy industries could be suitably sited on relatively high ground in a position where the prevailing winds would minimise the dangers of pollution. Dr. van der Bijl convinced the directors of IsCOR that the area beside the Vaal River was the obvious site for IsCOR's new steelworks.

After the discovery of iron ore at Thabazimbi, the African Metals Corporation (AmCOR) was established near Vereeniging in 1937.

The erection of the Plate Mill was completed in 1943 and went into production the same year.

IsCOR started trading in 1947.

Directly after the war, it was decided to build a fully integrated steel works at Vanderbijlpark, and a start was made on this early in 1947.

On 4 October 1952 the Vanderbijlpark Works officially opened by His Excellency the Governor General, Dr E.G. Jansen. Several of the new production units started up in 1953, followed by major expansion schemes in 1956, 1960.

From 1964 to 1969 a second development phase started at Vanderbijlpark Works. Large extensions were added; older plants modernised to supply higher quality and value-added products such as electrolytic tinplate for the canning and beverage industries.



On 17 May 1969 the South African Government decided that Iscor's third fully integrated steelworks be erected at Newcastle. The main factor leading to this selection was to decentralise industry away from the Witwatersrand complex and to promote industrial development in Natal, the best watered province of South Africa. Newcastle, as a border area with an adequate supply of labour, and with the Amcor ironworks that could be taken over to save on initial capital costs as well as to provide an outlet for the iron which was at that time being exported to Yawata in Japan ( the contract for which was to expire shortly), was therefore chosen.

Further factors were that Newcastle was situated on main rail and road routes between Johannesburg and Durban, essential services such as water and electricity were already well catered for, and the town had a basic established infrastructure with a settled community. While ore would have to be transported 1 000 km from Sishen, coking coal was available from nearby and the overall economics were favorable. It was decided that both profile and flat products would be catered for in a plant with an ultimate capacity of 8 million tons per annum of liquid steel. Subsequent changes in steel markets has meant that extension to flat products has been delayed indefinitely and the current capacity is about 2,00 million tons of liquid steel.

From 1972 to 1977 the largest expansion period for Vanderbijlpark Works followed. Iron making facilities were extended and the steel making processes modernised by the commissioning of basic oxygen furnaces and electric arc furnaces. A colour coating line established at the South Works and a whole new works – the North Works was established to manufacture wide hot-rolled, cold-rolled and galvanised products.

1981 saw the Corporation arriving at important decisions on future strategy. The looming shortage of scrap in the country and shortage of high grade coking coals led to the decision to place an order for a coal based kiln type direct reduction plant of 720 000 tons/annum at Vanderbijlpark Works.

The metallurgical plants at Pretoria were very old and uneconomic and cause pollution and it was thus decided to phase out the coke ovens, blast furnaces and steel conversion plants, and to replace these with a new facility initially based on scrap and electric arc furnaces with the later addition of an iron making plant. Certain of the obsolete rolling mills would also be closed down and the overall works steel making capacity would be reduced to about 900 000 tons of liquid steel/annum.

The world steel industry entered a crisis period during the end of the 1970's and early 1980's with the widespread recession, which occurred at that time. South Africa did not escape this recession and the local demand for steel fell as a result. A world oversupply situation occurred in the steel market with export prices falling to uneconomic levels.

During 1982 Iscor was thus forced into the early closure of the two oldest blast furnaces at Pretoria Works, as well as the closure of the so-called South Works at Newcastle which had been taken over from Amcor only a decade earlier.



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Date	Event
1912	The Union Steel Corporation of SA Limited (USCO) was formed. [Later on there was a serious decline in its financial position, and when Iscor came into being in 1928 the chances of survival for Usco appeared slight. Iscor did not wish to drive the small existing firms out of business, so negotiations took place between Iscor & Usco. They decided on a working partnership in which the field production would be divided between Iscor & Usco on a rational basis, a basis of co-operation for the good of SA's steel industry.]
1916	Pretoria Works commissioned by Delfos to report on the possibility of of establishing an iron industry on the Pretoria Townlands.
1916	Vereeniging Works commissioned. The Transvaal Blast Furnace Company, Limited was formed and a blast furnace was erected in Vereeniging.
1920	Newcastle Works commissioned. A public company which was the Newcastle Iron & Steel Works, Limited was formed.
1928	Iscor founded as a statutory parastatal
1928	South African Iron & Steel Act
1934.	4 April - The first steel was tapped at the Pretoria Works from the open-hearth furnace
1942	Iscor company established to meet the increasing demand for steel in South Africa.
1943	Commissioning of a plate mill at Vanderbijlpark Works mainly for the production of heavy plate for ship repairs and the manufacture of armoured cars for South Africa's war effort
1942	Acquisition of a site of 97 square kilometre (9 700 ha) on the Vaal River
1947	Iscor started trading
1947 to 1952	<ul style="list-style-type: none"> <li>Vanderbijlpark Works developing into a fully-fledged integrated steelworks processing iron ore and other raw materials from mines throughout Southern Africa into hot-rolled, cold-rolled, galvanised and tinned sheets and coils to meet South Africa's high demand for quality flat steel products. During these years, the Works production capacity was 360 000 tons of finished products per annum.</li> </ul>



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	<ul style="list-style-type: none"> <li>Erection of an integrated steel works to process iron ore from Thabazimbi and other raw materials from mines throughout Southern Africa into hot rolled, cold rolled, galvanised and tinned sheet and coils.</li> </ul>
<b>1952</b>	4 October - Vanderbijlpark Works was officially opened by His Excellency the Governor General, Dr E.G. Jansen
<b>1964 to 1969</b>	Second development phase at Vanderbijlpark Works . Large extensions were added; older plants modernised to supply higher quality and value-added products such as electrolytic tinplate for the canning and beverage industries.
<b>1972 to 1977</b>	Largest expansion period for Vanderbijlpark Works. Iron making facilities were extended and the steel making processes modernised by the commissioning of basic oxygen furnaces and electric arc furnaces. A colour coating line was established at the South Works and a whole new works – the North Works – was established to manufacture wide hot-rolled, cold-rolled and galvanised products.
<b>1980s</b>	South African government committed itself to transfer certain state interests to the private sector
<b>Late 1980s to early 1990s</b>	Capital expenditure mainly aimed at productivity and quality improvements, such as increased continuous casting of slabs, the installation of Ladle Furnaces and RH-OB degasser and the addition of a continuous annealing facility. On the raw materials side the briquetting of coal partially alleviated the poor quality of coking coal, while the direct reduction of iron ore has made Iscor less dependent on scrap iron steel. The briquetting of coal was however discontinued at the end of the 1990s. Focus on capital expenditure aimed at increasing productivity and quality improvements. Increased continuous casting capacity and the addition of a continuous annealing facility were another two of the improvements brought about. The addition of a chrome coating line (TFS) and an electrolytic galvanising line in the early 1990s increased the range of value added products considerably. This line has since been converted to a tinning line for production of DWI.
<b>1989</b>	Iscor privatised



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<b>1989</b>	November - Iscor Limited shares listed in the Steel and Allied sector of the Johannesburg Stock Exchange
<b>1990's</b>	The addition of a chrome coating line (TFS) and an electrolytic galvanising line increased the range of value added products considerably. Product and plant rationalisation and the total re-engineering of the Works continued during this period and into the 21 <sup>st</sup> century. The continued demand from local and world markets for more competitive steel products pressurised not only Flat Steel Products but the whole South African steel industry to contain costs, increase productivity and become truly world competitive in order to survive as a viable business.
<b>1991</b>	Iscor bought USCO's steel division in mid-1991
<b>1996</b>	Upgrading of the continuous casting facilities to enable phasing out of the low productivity conventional ingot casting route. Upgrading of iron making facilities and improvements of process technology to the turn of the century will improve productivity considerably.
<b>1996 to 1999</b>	Vanderbijlpark Works underwent a change programme to ensure world class competitiveness and to add value for all its stakeholders. The change programme, based on an employee-participation process, was called Project The objective of Project OP-EX was to achieve Operational Excellence through service to customers, quality products, reliable throughput, low costs, further environmental improvements and the upliftment of the skills base of our employees resulting in financial stability not only for stakeholders, but also for the Vaal community.
<b>2002</b>	December - Master Environmental Plan for a holistic approach to Environmental Management and to obtain environmentally friendly solutions completed. Implementation will take place over the next ten years
<b>1998</b>	Saldanha Steel commissioned
<b>2001</b>	Iscor unbundled
<b>2001</b>	November 22 - Iscor entered into the business assistance agreement (BAA) with Anglo-Dutch steel producer LNM Holdings N.V. The agreement is a performance-based deal between the two steel companies in terms of which LNM will provide business assistance to Iscor over the next three years in exchange for 10 000 Iscor shares over the three year period,



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	which ends on 31 December 2004, provided that certain cost saving thresholds are met
<b>2002</b>	15 January - At a general meeting Iscor Limited shareholders approved the business assistance agreement (BAA) with LNM.
<b>2003</b>	12 February minority shareholders in Iscor Ltd gave LNM the go-ahead to proceed with a R1.8-billion partial offer. Minority investors agreed to a proposal by LNM asking them to waive a South African regulation that would oblige the Dutch-registered steel producer to offer to buy out all minorities once its stake exceeds 35 percent.
<b>17 August 2004</b>	Iscor Limited was renamed Ispat Iscor Limited and registered with the Registrar of Companies.
<b>December 2004</b>	Ispat International NV acquired LNM Holdings NV, the parent company of Ispat Iscor. After the acquisition, the merged company's name was changed to Mittal Steel Company NV.
<b>14 March 2005.</b>	Ispat commenced trading under the new name Mittal Steel South Africa Limited
<b>25 June 2006</b>	Arcelor announces the decision to merge with Mittal Steel Company, with the new company to be called Arcelor Mittal
<b>3 October 2006</b>	Shareholders approve ArcelorMittal South Africa name change and Mittal Steel South Africa commences trading under the new name ArcelorMittal South Africa.