

'Time for steel-makers to scale back capacity'

EUROPEAN steel-makers should cut their production because of shrinking demand, ArcelorMittal CEO Lakshmi Mittal said.

"Demand [in Europe] used to be 200 million tons, now it's 150 million. There is a need for capacity adjustments," he said.

Mittal cautioned that European demand would not return to the high levels seen before the 2008 global economic crisis for at least another four or five years.

His comments were made as steel prices were pressured by a glut of

supply and weakening demand, particularly in Europe.

Mittal said he was not interested in acquisitions given the oversupply on the global steel market. He cautioned that collapsed RG Steel might struggle to find a good buyer.

"This is not the time to acquire more growth. There is enough capacity in ArcelorMittal," he said.

RG Steel filed for Chapter 11 bankruptcy protection at the end of last month because of the deterioration of its market.

— Reuters