

MEDIA RELEASE

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STEEL PRODUCERS TO FACE COLLUSION CHARGES IN TRIBUNAL

The Commission referred a collusion case against ArcelorMittal South Africa Ltd (“Mittal”) and Highveld Steel and Vanadium Corporation Ltd (“Highveld”) to the Tribunal for adjudication on 30 March 2012. This relates to price fixing and market allocation conduct in respect of flat steel products.

The Commission’s investigation followed a complaint in early 2008 alleging that Mittal and Highveld adjusted their prices for steel products around the same time and with similar percentage increases.

Evidence before the Commission indicates that the steel producers engaged in concerted practices or had understandings that Highveld would follow Mittal’s lead on the pricing mechanism and changes in pricing, including discounts and transport tariffs.

The Commission’s investigation also found that the steel producers divided the markets by specific types of goods, maintaining market shares and allocating supply quotas for exports. The arrangements regarding exports included agreements with the European steel producers association Eurofer.

This conduct was maintained through information exchanges on sales volumes, which allowed them to monitor and maintain market share and prices. The understandings were facilitated through meetings and information exchanges through the steel industry association, the South African Iron and Steel Institute (“SAISI”).

The Commission has asked the Tribunal to impose a penalty of 10 percentage of annual turnover on each of the steel producers.

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For more info:

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