

ArcelorMittal SA to cut staff as steel sector outlook dims

By [Mark Allix](#)

16 Aug 2017

ArcelorMittal SA is to retrench more than 50 workers as the poor economy and continuing cheaper Chinese steel imports gave it "no option but to review staffing levels".



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When recently reporting a total comprehensive loss of R2.46bn in the six months to June, SA's largest steel maker said Eskom and Transnet pricing had made it uncompetitive.

"Along with the rest of the South African steel industry, we continue to face serious challenges that are negatively impacting our profitability," CEO Wim de Klerk said on Tuesday, 15 August.

He said the company appreciated the steps taken by the government to protect the industry, such as import duties and the localisation of steel for infrastructure projects, but these would assist only in the medium to long-term.

"We do not believe that the outlook is likely to change in the foreseeable future, especially with regards to the lack of investment in infrastructure development," he said.

Meanwhile, the group's export sales were being hampered by weak international prices, rand volatility and rising input costs.

To tackle this, De Klerk said, the group was looking to further cut costs. This included selling non-core assets and assessing its footprint.

"It is for this reason that we have taken the difficult decision to begin a consultation process with employees," said De Klerk.

Source: Business Day

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