



ArcelorMittal

press release

ArcelorMittal to temporarily reduce annualised European primary steelmaking production by three million tonnes

Regrettable decision necessary due to combination of weakening demand, rising imports coupled with insufficient EU trade protection, high energy costs and rising carbon costs

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ArcelorMittal today announces its intention to temporarily idle production at its steelmaking facilities in Kraków, Poland and reduce production in Asturias, Spain. In addition, the planned increase of shipments at ArcelorMittal Italia to a six million tonne annual run-rate will be slowed down following a decision to optimise cost and quality over volume in this environment.

Together, these actions will result in a temporary annualised production reduction of around three million tonnes.

Commenting, Geert van Poelvoorde, CEO, ArcelorMittal Europe – Flat Products, said:

“The difficult decision to temporarily reduce our European primary flat steel production has not been taken lightly. We understand the impact this has on employees and the local communities and will be working to ensure social measures are in place to support them during this period.

“These actions reflect the weak demand environment in Europe today, a situation further compounded by increased imports despite the safeguard measures introduced by the European Commission. High energy costs and increasing carbon costs are adding to the tough environment.

“We are engaging with stakeholders to request that the safeguards are strengthened to prevent a further increase in imports as a result of continued global overcapacity and a weakening economy in neighbouring countries including Turkey. We will also continue to make our case for a green border adjustment to be introduced to ensure that imports into Europe face the same carbon costs as producers in Europe. The steel industry in Europe can have a strong future but there must be a level playing field to ensure that an unfair advantage is not given to competitors outside the region.”

In Kraków, the primary production (blast furnace and steel plant) will be temporarily idled. The Polish steel market has been particularly hard hit, due to a near fourfold year-on-year increase in Russian steel imports in 2018, and among the highest electricity prices in Europe.

In Asturias, primary production will be reduced. Electricity costs are also very high in Spain, and the southern European market has been hit by an unprecedented rise in imports from outside the EU.

Despite the introduction of the permanent EU safeguard tariffs in February 2019 there has been a continued and consistent rise in flat steel imports into Europe. Flat steel imports into Europe are currently at record highs, with imports of hot rolled coil up 37 per cent this year from 2017, on an annualised basis. In addition, the price of carbon has risen by approximately 230 per cent since the start of 2018, placing further competitive pressure on European steelmakers. In the EU Emissions Trading System (ETS), only steel produced in Europe is subject to a carbon levy. ArcelorMittal has previously called for the introduction of a green border adjustment whereby steel imported into Europe has the same standards applied on CO₂ as European produced steel under the ETS.

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About ArcelorMittal

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and an industrial footprint in 19 countries. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

Through our core values of sustainability, quality and leadership, we operate responsibly with respect to the health, safety and wellbeing of our employees, contractors and the communities in which we operate.

For us, steel is the fabric of life, as it is at the heart of the modern world from railways to cars and washing machines. We are actively researching and producing steel-based technologies and solutions that make many of the products and components people use in their everyday lives more energy efficient.

We are one of the world's five largest producers of iron ore and metallurgical coal. With a geographically diversified portfolio of iron ore and coal assets, we are strategically positioned to serve our network of steel plants and the external global market. While our steel operations are important customers, our supply to the external market is increasing as we grow.

In 2018, ArcelorMittal had revenues of \$76.0 billion and crude steel production of 92.5 million metric tonnes, while own iron ore production reached 58.5 million metric tonnes.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

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