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**The interview**, the global king of steel open to new participants in the joint venture

**Mittal: "We are ready to invite CDP to our bid for Ilva. No industrial partners."**

## **FULL CAPACITY**

Our goal is to help Taranto recover lost ground and produce at full capacity

## **ENVIRONMENT**

We do not want to use DRI technology like our competitors because we do not consider it necessary in Europe

## **THE FUTURE**

With us the Italian site will become a strategic asset, as part of the largest existing steel group

## **FRANCESCO MANACORDA**

**ROME.** "We are ready to discuss participation in our offer with Cassa Depositi e Prestiti". The international tender for the Ilva plant in Taranto is experiencing – it must be said – heated days: on the one hand the giant Arcelor Mittal together with Marcegaglia and, recently, Intesa Sanpaolo which is expected to represent 5% of the consortium; on the other hand the Indians from Jws, Cassa Depositi e Prestiti, Leonardo Del Vecchio and the steel group Arvedi. But now the offers have been deposited and the three Ilva commissioners are preparing to express their opinion to the government by 6 April, which will then have to reach a decision. Lakshmi Mittal, the international king of steel, opens this interview with the new possibility of broadening the joint venture. Is this intended to wreak havoc among the opponents or is it a real opening?

**Are you also willing to open up to other steel operators such as the Indian company Jws or the Italian Arvedi, participating in the competing joint venture?**

"No, we are not looking for any other industrial partners. They would not bring anything to the table".

**And yet you are in partnership with steel makers Marcegaglia...**

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“Marcegaglia is Ilva’s leading customer, and it is good to have them with us.”

**Who knows whether CDP, which has a “systemic” vision for Italy, will be interested in your proposal, Mr Mittal. It is rumoured that since you are the largest steel group in the world, there is the risk of you not using Ilva to its full capacity, instead carrying out “arbitrage” between group sites...**

“This is not true. We are not involved in arbitrage between plants and Ilva is a strategic asset for us.”

**Why is this?**

“Taranto is an interesting location with direct access to the sea, it has an integrated cycle, good management and direct access to the Italian steel market, and is the second steel mill in Europe after the one in Germany. With us, Italy can be proud of Ilva once again.”

**Is there any guarantee that Taranto will not end up with reduced capacity in a few years, perhaps in the wake of a market crisis?**

“The plant is complementary and not additional to our existing sites, and therefore we aim to recover its lost ground and use it at full capacity.”

**But in the past you have closed plants in Europe, like in Florange and Lille in France, which you took over from Arcelor. It was also a blow for François Hollande.**

“At those plants we simply closed the blast furnaces but continued to invest in high value-added production in the automotive sector”.

**Your offer of around 1.8 billion euros for the lease and then acquisition of the plant is higher. However, the opposing joint venture provides greater guarantees in terms of industrial development – with positive repercussions for employment – and environmental protection, also to thanks to the use of so-called DRI technology and gas or electric furnaces instead of traditional blast furnaces.**

“I am not allowed to discuss the numbers of our offer or employment; we are obliged not to do so, but I believe our offer is better in every respect. In terms of employment, I can say that our aim is to ensure that Ilva operates at full capacity, and nothing suggests we will offer lower employment levels than our competitors”.

**What about industrial development? You expect to produce 6 million tonnes now and import a further 4 million: then you will reduce imports by two million and increase production to 8 million for a total of 9.5 million tonnes.**

“With us, Ilva will become part of largest international steel group and will benefit not only from our market strength, in terms of purchasing, but also from the latest technology to be applied to a number of processes. Our aim is to make Ilva extremely productive and certainly not to block its development.”

**Your competitors are focusing on “green” DRI technology for the reduction of Co2 emissions, unlike you. Could this be a problem for your offer?**

“We have been using the three DRI technologies for years and having plants across the world we know how and where to use them. In Indonesia, for example, we opened a DRI plant in 1993. In Europe there is just one that belongs to us in Hamburg, with technology dating back to 1969. There is a reason why DRI plants are not used in Europe.”

**Which is?**

“For DRI to be competitive you need low cost iron ore, cheap gas, or a higher steel price, factors that are present in India. Then I would like to add that research is on-going and even traditional blast furnaces will be able to significantly reduce emissions, which is why European plants have lower Co2 emissions than India and China.”

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## **INTERNATIONAL LEADER IN STEEL PRODUCTION**

**Lakshmi Mittal (left), is the founder and CEO of ArcelorMittal, world leader in the steel industry.**