



Steelworkers accept pay cut in Tata



Temporary wage cut agreed as part of deal to sell one of Tata's divisions to Greybull, saving up to 4,400 jobs

Workers have voted to accept a temporary 3% pay cut and changes to terms and conditions as part of the deal to sell Tata Steel's long products business to Greybull Capital.

Members of the Community, GMB and Unite unions backed the changes, aimed at paving the way for the deal, which includes the huge steel plant at Scunthorpe. Community officer Steve McCool said it was an extremely difficult decision, but the vote was a major step forward towards securing the future of the business. The sale to Greybull is a rare piece of positive news for the industry, which is in crisis because of cheap Chinese imports and other problems such as energy costs.

Greybull and Tata agreed the deal to sell the long products division for a nominal sum of £1.

The deal will safeguard up to 4,400 jobs and keep open a steelworks in Scunthorpe, two mills in Teesside, an engineering workshop in Working ton, a design consultancy in York, and associated distribution facilities, as well as a mill in northern France. The firm will be renamed British Steel, a brand that disappeared in 1999 with the creation of Corus, which was later bought by Tata.

Greybull will only pay the nominal fee for Tata's long products Europe (LPE) division because it has agreed to take on the firm's liabilities and put together a £400m funding package to keep the business going. A loan from the government on commercial terms could form part of this funding package.

Tata is looking for buyers for the rest of its UK business, including the Port Talbot works in south Wales, with thousands of jobs hanging in the balance.

Arrium and Morgan Stanley agree to work on USD 75 million debt



The administrator for troubled Australian steel and iron ore group Arrium Ltd said it had agreed to work toward a constructive outcome with Morgan Stanley after the investment bank took legal steps to call in a three-year-old debt.

Morgan Stanley filed action in the Delaware Chancery Court in the United States seeking orders that Arrium and its units repay a \$75.4 million credit facility the U.S. bank provided in 2013, according to legal publishers and Arrium's administrator, KordaMentha Pty Ltd. KordaMentha replied with a separate action in the Federal Court of Australia to block Morgan Stanley's attempt to collect the debt. This action has now been stayed after the agreement between the two



parties to work together to resolve the issue.

According to a KordaMentha statement, "The parties are now working constructively towards an outcome that will align all interests of the lender group in supporting the best possible outcome for the Arrium Group, including the employees of the businesses in Australia and overseas.

Morgan Stanley's legal move had threatened to scupper efforts to restructure Arrium.

Already, at the prompting of the Australian Workers Union and Arrium's major lenders, the firm's original administrator Grant Thornton had to be replaced by KordaMentha, known for winning payout from bankrupt companies.

Tokyo Steel hikes product prices by 16%

Japan's top electric arc furnace steelmaker Tokyo Steel Manufacturing will raise the price of its products for May delivery by up to 16 percent in its first across-the-board price hike in more than two years, reflecting a recovery in international markets.

Prices will rise by 5 to 16 percent in the first across-the-board hike since late 2013. The price of Tokyo Steel's main product, H-shaped beams used in construction, will rise by JPY 5,000 (USD 46.14) to JPY 72,000 a tonne, while prices for steel bars, including rebar, will climb by JPY 7,000 to JPY 51,000 a tonne.

Tokyo Steel Managing Director Kiyoshi Imamura said, "We need to raise prices to reflect a stronger overseas steel market as well as higher steel scrap prices after China cut its exports of cheap steel. We also see increased activities in construction projects in Japan."

He said Prices of steel products and semi-finished products have been on the rise



globally following a surge in the Chinese steel market. Countries that had planned to buy cheap steel from China were unable to secure enough products as Chinese mills prioritized local sales. We are receiving lots of interest from buyers from many countries. The trend has completely changed.

A rise in anti-dumping measures against Chinese producers has also weighed on efforts by steel mills in the nation to raise exports, which reached a record 112 million tons in 2015.