



POSCO strives to lead in automotive steel market

Korea's top steelmaker POSCO has been making aggressive investment moves to take the lead in the global automotive steel market, shipping 8.7 million tonnes of automotive steel to global carmakers last year, which made up 10% of the world's total production of such steel. Only 20 of some 800 steelmakers around the world are able to produce automotive steel as it requires high technical skills.

In January, the steelmaker showcased its self-developed advanced steel technologies, such as twinning-induced plasticity steel and hot press forming steel at the 2016 North American International Auto Show in Detroit, Michigan, the US. It was the first time a steelmaker had held a technology exhibition, according to the company.

TWIP steel, mainly used for the front and back bumpers of cars, can withstand up to 100 kilograms per square millimeter of pressure. It also has up to three times higher formability. HPF steel endures up to 150



kilograms per square millimeter and boasts better formability under high temperatures. It is mainly used for the center pillars of vehicles.

To meet increasing demand from automakers for light and safe materials, POSCO recently developed Giga Steel, an ultra high strength steel that can withstand a load of 100 kilograms per square millimeter.

POSCO is also expanding its investment in local and overseas automotive steel production facilities, according to the company.

Earlier in May, the steelmaker completed the rationalization of Korea's largest cold rolled automotive steel plant in Gwangyang, South Jeolla Province.

The plant is optimized to produce high quality Advanced High Strength Steel which is used for automotive inner panels and outer panels. Demand for AHSS is growing, with the AHSS introduction rate surpassing 20% in Korean and reaching 35% in North America, said the company.

POSCO also completed a continuous galvanizing line plant in Thailand in August. With an annual production capacity of 450,000 tonnes, it is POSCO's first automotive steel plant built in Southeast Asia. It added that through such aggressive moves, the company aims to sell 10 million tons of automotive steel per year from 2018.

Vesuvius completes acquisition of Brazilian Mold Flux business for GBP 9.2 million

Vesuvius PLC has completed the acquisition of a Brazilian mold flux business for GBP 9.2 million funded from its



existing financial resources. The company said that this acquisition marked a "further strategic step" in broadening its steel flow control offering in an important product line for the

group. It added that fluxes are used in the continuous casting of steel, so the acquisition is complimentary to its previous acquisition of Metallurgica.

Francois Wanecq, Chief Executive Officer in a statement said that "This is a valuable addition to our portfolio and customer offering. I am pleased to welcome the flux business management team to Vesuvius and look forward to their contribution to the regional and global growth of Vesuvius."

Cliffs Natural Resources to supply Essar pellet till December 2020

A provincial judge in Canada has signed off on a term sheet between Essar Steel Algoma and iron ore producer Cliffs Natural Resources, locking in most of Essar Algoma's pellet supply for the next four years.

Under the terms, Cliffs has agreed to supply Essar Algoma now through December 31, 2020, with an option for a one-year extension. The term sheet, along with the existing pellet sale and purchase agreement, provides for 70% of Algoma's annual pellet requirements.

"This term sheet comes as a result of a competitive process that secures the economic provision of this critical raw material for Algoma. It represents an important milestone in moving Algoma towards a successful restructuring and emergence from (creditor protection) proceedings," Essar Algoma Chief Executive Kalyan Ghosh said in a statement.

Essar Algoma filed for creditor protection in November 2015, an action that was precipitated in part by Cliffs' decision to terminate its pellet supply agreement with Essar. Essar disputed the action, and the two ultimately settled on a plan for reinstating the



agreement. With the judge's approval of the term sheet, the pellet sale agreement has come back into effect and is binding on whomever acquires Essar Algoma, according to a court filing.

"The binding nature of these contracts on an acquirer of Algoma's ongoing business is beneficial to the restructuring efforts of Algoma by ensuring the benefits of both contracts follow the business of Algoma with no need of further assignments, agreements or negotiations with Cliffs," the monitor in Essar Algoma's creditor protection case wrote in a report to the court.

However, as part of the term sheet, Cliffs has the right to end the agreement should the buyer be related to Essar parent Essar Global.