ArcelorMittal group wins bid to takeover Italy's Ilva

A consortium led by global steel giant ArcelorMittal has been chosen to take over Italy's huge but struggling steel producer Ilva, the Italian government said recently.

Economic development minister Carlo Calenda said in a statement that the offer was worth Italian lira 1.8 billion ($2.02 billion). The partnership with Italy's Marcegaglia had been competing for the takeover with a consortium built around the Indian company JSW Steel, and reports had suggested the latter had upped its offer.

But officials said ArcelorMittal - accounting for 85 per cent of the bid-and Marcegaglia, which makes up the rest, had prevailed with their bid.

The two have signed a pre-accord with Italian bank Intesa Sanpaolo, which is set to join their consortium Am Investco Italy.

The government said ArcelorMittal had pledged to invest lira 2.4 billion in Ilva, in addition to the purchase price.

ArcelorMittal's Ilva was nationalised and placed under special administration in 2015 after the Riva family, which owned it, was accused of failing to prevent toxic emissions from its Taranto site in southern Italy.

The government quickly opened a tender for the heavily indebted company, which used to produce a third of Italy's steel output.

Officials said the state would now appoint commissioners to negotiate "possible improvements" to the takeover plan during the transition phase.

The Taranto site, which employs 11,000 people, is at the centre of a huge legal case in which experts cited by prosecutors have charged that 11,550 people have died from toxic emissions in seven years.

The takeover has sparked fears of thousands of job losses, with unions saying that Am Investco Italy plans to cut Ilva's overall staff of 14,200 to 9,400 next year and 8,400 by 2023.

Hundreds of employees at Ilva's site in the northwestern city of Genoa staged a protest, demanding a meeting with PM Paolo Gentiloni.

Vietnams steel industry expected to grow 12-15%

The steel industry is predicted to grow by 12-15 percent in the next five years, heard a workshop titled “Steel sector dialogue:- Prospects 2017-2020” in Ho Chi Minh City on June 12.

The Vietnamese steel industry is predicted to grow by 12-15 percent in the next five years. According to the Vietnam Steel Association (VSA), in 2017, cast iron output is forecast to increase 80 percent to reach 4.5 million tons, while steel billets will jump 47.2 percent (11.5 million tons), finished steel products up 12 percent (20 million tons), cold rolled coils up 13 percent and steel pipes up 15 percent.

Vietinbank Securities JSC General Director Khong Phan Duc said that the Vietnamese steel industry's scale is not large, but the sector has competitive advantages, especially in production costs.

In addition, the domestic demand for steel remains huge thanks to infrastructure projects and rapid urbanisation in rural areas, he stated.

To help the industry thrive, VSA Vice Chairman Nguyen Van Sua suggested domestic manufacturers improve their technologies and production lines.

Sharing this view, General Director of the Nam Kim Steel Joint Stock Company Pham Manh Hung proposed diversifying products and optimising production scales to reduce production costs and increase price competitiveness.

Last year, the steel sector grew by 18.1 percent. It turned out 17.5 million tons of products, up 16.8 percent from 2015.

In 2016, the sector exported 2.4 billion USD worth of goods, but posted total import costs of 9.1 billion USD.