

# Metal Bulletin

## ArcelorMittal to increase 2009 annual tinplate contracts by 50%

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ArcelorMittal is expected to seek a 50% increase in tinplate prices in its 2009 contract negotiations with the packaging industry, company sources told MB.

A surcharge of €160 per tonne on annual contracts, which was announced to ArcelorMittal customers in May and implemented throughout the second and third quarters of this year, will be incorporated into this increase, sources said.

"Increases in tinplate contract prices reflect price developments in the steel sector generally, where there have been price rises on the spot market of between 60% and 100% during this year, driven by rising raw materials, labour and transport costs," according to one company source, who added that the latest 50% increase does not rule out further increases in 2009, depending on market conditions.

"Tinplate has become unprofitable for many players," one industry observer said. "ArcelorMittal is rumoured to be reducing its exposure to this segment in Europe and North America and focusing on more profitable segments."

"Tinplate is the most distressed steel product that exists. We are currently negotiating price rises with our customers in Europe and USA, who fully understand the situation. The new prices will be significantly higher than they are at present," Michel Wurth, a member of ArcelorMittal's group management board, told MB at the start of August (MB Aug 4).

ArcelorMittal is also looking to move its contracts with the packaging industry to run from April to March so that they will be in line with the annual raw materials negotiations, company sources said.

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