



Environmental activists protest against alleged pollution by ArcelorMittal South Africa in Vanderbijlpark yesterday. The march was timed to occur with a simultaneous protest in Luxembourg PHOTO: MATTHEWS BALOYI

ArcelorMittal under fire as activists demand clean-up

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A coalition of activists targeted ArcelorMittal at its annual general meeting in Luxembourg yesterday, to mark the start of a campaign that aims to mould the world's biggest steel maker into a more responsible global corporate citizen.

The coalition's strategy appears to be one of embarrassing ArcelorMittal's senior international management to the extent that it will take a hand in improving local conditions across nine countries.

Two South African representatives were among those present to highlight ArcelorMittal South Africa's poor environmental legacy at its Vanderbijlpark facility.

One of them, Samson Mokoena, who used to live on land next to the plant, said: "Buying cheap apartheid-created state industry and making huge profits does not absolve one from dealing with its historic pollution."

Two coalition members from the US who owned ArcelorMittal shares were denied entry as shareholders, as they had not followed proper registration procedures. But they were allowed to attend as guests. The others protested outside.

Mokoena said coalition members met ArcelorMittal management in Luxembourg after the meeting to lodge their complaints.

The South African delegation demanded that the company release its secret, 9 000-page "master plan" on pollution. The same matter was raised by about 200 protesters who marched simultaneously in Vanderbijlpark yesterday.

In a shadow report to shareholders on the impact of ArcelorMittal's activities, the coalition attributes the firm's financial success to a strategy of buying "old, heavily polluting steel mills in places like Kazakhstan, the Czech Republic, Ukraine, South Africa and the US, and implementing large production and cost cutting targets".

ArcelorMittal, which was known as Mittal Steel before its hostile takeover of Arcelor in 2006, first bought into the steel making division of South Africa's former parastatal Iscor seven years ago.

Analysts estimate that the global group's current shareholding of 52 percent in the South African operation has been paid for twice over, via dividends and a controversial business assistance agreement that operated while the parent company was a minority shareholder.

The report says of the South African acquisition: "Rather than paying for the company, [Lakshmi Mittal, ArcelorMittal's biggest shareholder and newly appointed chairman] was just about paid to take it over." The report contrasts the wealth of Mittal – Britain's richest man, worth an estimated \$45 billion (R344 billion) – with the support given to the company via 10 loans worth a total of \$692 million in the past decade.

The coalition, whose South African partners include the Vaal Environmental Justice Alliance and groundWork, called on the lending institutions, the European Bank for Reconstruction and Development and the International Finance Corporation, to stop their support.

It demanded that ArcelorMittal implement environmental and health action plans in consultation with workers and residents adjacent to its plants in a democratic manner, and called on governments not to give ArcelorMittal tax breaks or allow it to dispossess people of their land.

Apart from environmental destruction and health problems linked to pollution, the company came in for criticism over the deaths of more than 100 miners in Kazakhstan in the past five years.

