

Thyssenkrupp, Tata sign deal to become Europe's second biggest steelmaker

June 30 2018



This picture taken on September 29, 2017, shows an outside view of the ThyssenKrupp Steel facility in Bochum, western Germany

German industrial giant Thyssenkrupp said Friday it had finally agreed the merger of its steelmaking business with India's Tata, making the

merged firm Europe's second biggest steelmaker.

Conceived to take on the flood of cheap Chinese [steel](#) unbalancing world markets, the merged firm known as "Thyssenkrupp Tata Steel" will be based in the Netherlands. It will be second only to ArcelorMittal in the European steel industry.

Thyssenkrupp's executive and supervisory boards agreed to "create a 50/50 [joint venture](#), which will combine the European steel businesses of Thyssenkrupp and Tata Steel", the Essen-based group said in a statement.

Final signatures would follow "shortly", it added, while competition authorities in the European Union and other jurisdictions must still give the go-ahead.

Bosses hope the tie-up, which took more than two years to negotiate, will create between 400 and 500 million euros (\$468-585 million) per year in savings.

The merged firm will boast 48,000 employees spread around 34 sites, producing around 21 million tonnes of steel per year for revenues of around 15 billion euros.

Thyssenkrupp and Tata previously warned that the merger would mean around 4,000 jobs will be slashed in both production and administration, split evenly between the two firms.

Last December, Thyssenkrupp offered guarantees against layoffs and site closures to powerful German trade union IG Metall.

Workers had demonstrated several times against the plans by the group, whose products range from elevators to submarines as well as steel.

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Citation: Thyssenkrupp, Tata sign deal to become Europe's second biggest steelmaker (2018, June 30) retrieved 27 April 2024 from <https://phys.org/news/2018-06-thyssenkrupp-tata-europe-biggest-steelmaker.html>

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