

Jindal bids for Thyssenkrupp's steel division

SEBASTIEN ASH — LONDON

Indian billionaire Naveen Jindal has made a nonbinding offer to buy Thyssenkrupp's struggling steel unit, opening a door for the German industrial conglomerate to offload the business.

Jindal Steel, part of the magnate's industrial group, said in a statement yesterday that it would enter into discussions with Thyssenkrupp over a potential purchase. The German company said it would "carefully review" the offer, the value of which was not disclosed.

The Essen-based conglomerate is in the midst of a drawn-out restructuring process aimed at spinning off its five core divisions into separate businesses and converting Thyssenkrupp into a holding company.

The German group has been exploring a deal to sell half of the steel unit to Czech billionaire Daniel Křetínský. Křetínský's EP Corporate Group took a 20 per cent stake in the steel business

last year and has been in discussions with Thyssenkrupp about raising his share by a further 30 per cent.

Thyssenkrupp's steel operations have had to contend with low demand in its key markets, high energy costs and a flood of cheap imports from Asia. The

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struggles forced the company to write down the value of the unit by €1bn last year, following an impairment of €2.1bn in 2023.

Workers at Thyssenkrupp's steel-works in Germany this month agreed to a deal to cut hours and bonuses in a drive to reduce costs. The deal is part of a turnaround plan for the unit that will slash capacity and cut 11,000 jobs.

Thyssenkrupp has also been fighting to cover the costs of decarbonising its steel production. The company is the recipient of a €2bn subsidy from the German government to install a direct reduction furnace, which produces less emissions when powered with green hydrogen at its plant in Duisburg.

Jindal Steel's head of European operations, Narendra Misra, said the company was committed to the "future of green steel production in Germany and Europe".

No financial details of the offer were released. Jindal Steel said it planned to pursue the completion of the direct induction furnace in Duisburg and would commit more than €2bn to install another low-carbon electric furnace.

Thyssenkrupp's shares closed 4 per cent higher yesterday. The company said it would examine the "economic viability" of Jindal's offer as well as the "continuation of the green transformation" and employment guarantees.