

Metinvest believes that the AMCU's requirements for the acquisition of DMK are groundless

The Antimonopoly Committee of Ukraine (AMCU) has submitted for discussion restrictions on participation in the bidding for the purchase of Dniprovskiy Metallurgical plant (DMK). In the event that Metinvest wins the auction, the AMCU intends to require Metinvest to sell no less than 12,000 tonnes of pig iron annually to third parties over a three-year period.



Metinvest submitted an application to participate in the auction in 2020. However, the review of the application has been protracted, despite the limited time available for the rehabilitation of DMK.

Metinvest believes the obligations imposed by the AMCU are unjustified, the timeframe for consideration of the application was too long and that the AMCU has shown a biased attitude towards the Group.

DMK's main product mix is not the same as that of Metinvest Group. Other market players are able to meet their demand for merchant pig iron in the amount that is set out in Metinvest Group's obligations. As a result, the Group finds itself in an overtly losing position when selling merchant pig iron.

The imposition of these requirements on Metinvest Group reduces the investment attractiveness of DMK's depreciated assets and creates unequal conditions when compared with other potential bidders.

The obligation to sell merchant pig iron to third parties creates obstacles for the consolidation of DMK's assets into the Group. As a result, this limits long-term investment planning opportunities.