# EU clears acquisition of US Steel by Nippon Steel

REUTERS
May 6

THE EUROPEAN UNION cleared US Steel's $14.9 billion buyout by Japan's Nippon Steel on Monday, allaying competition concerns from a deal that has drawn political opposition in the US.

The approval by the European Commission was expected to be a formality but in the US, the deal is facing resistance from several lawmakers worried about national security and US Steel's union, which is concerned about job losses.

While US President Joe Biden has said Pennsylvania-based US Steel should remain domestically owned, Republican front runner for the presidential race, Donald Trump said he would block the deal if elected.

Nippon has tried to address the concerns by offering to move its US headquarters to Pittsburgh, where US Steel is based and by promising to honor all agreements in place between US Steel and the United Steelworkers.

**The acquisition of US Steel will help Nippon move toward 100 MMT of global crude steel capacity**

Nippon had in December clinched a deal to buy the 122-year-old iconic steelmaker, prevailing over rivals bidders such as Cleveland-Cliffs, ArcelorMittal and Nucor. The acquisition of US Steel will help Nippon, the world's fourth-largest steel maker, move toward 100 MMT of global crude steel capacity.

Last week, US Steel said the department of justice had sought more details on the proposed merger as part of an antitrust review. Despite mounting opposition, an overwhelming majority of US Steel shareholders voted in favour of the deal in April.

The company now expects the deal to close in the second half of 2024 compared to its prior deadline of second to third quarter.

The European Commission said on Monday it cleared the deal given the companies' "limited market positions resulting from the proposed transaction".

Shares of US Steel rose 2% in morning trade. They have lost a quarter of their value so far this year.

## Sabadell board to meet over BBVA's offer

SABADELL'S BOARD WILL meet to discuss an all-share offer from Spanish bank BBVA that was worth around €12 bn when announced last week, two sources said. BBVA on May 1 said it had proposed offering one newly issued share for every 4.83 Sabadell shares, a premium of 30% over the smaller bank's April 29 closing price, to create one of the biggest lenders in the euro zone by market value.

The two Spanish banks called off previous merger talks in November 2020 as they could not agree on terms. Sabadell, which said its board would assess the offer and lined up Morgan Stanley & Goldman Sachs to assess its options, declined to comment. —REUTERS