

Nippon Purchases U.S. Steel Plant, What This Will Mean For Granite City Not Yet Known

by Dan Brannan, Content Director
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PITTSBURGH - Nippon Steel Corporation, Japan's largest steel maker, will acquire U. S. Steel in an all-cash transaction for \$14.1 billion, plus assumption of debt for a total of \$14.9 billion.

U.S. Steel stock has soared on the U.S. stock market today.

The transaction has been unanimously approved by the Board of Directors of both NSC and U.S. Steel.

Granite City Mayor Mike Parkinson said at this point, city leaders do not know exactly what the purchase of U.S. Steel by Nippon Steel will mean for those in his city and the workers.

The United Steel Workers Local 1899 was contacted and said a statement may be released later on Monday in reaction to the sale. The Local 1899 issued a notice on Tuesday, Dec. 12, 2023, to union members that a WARN Act notice would be settled by U.S. Steel.

In November, U.S. Steel issued WARN Notices (Worker Adjustment and Retraining Notification) that the Granite City facility would be idled indefinitely.

Parkinson said at that time that 400 workers had already lost their jobs and with the latest move, another 200 would be out immediately and that could climb to 1,000 workers out of work.

NSC President Eiji Hashimoto said, “We are excited that this transaction brings together two companies with world-leading technologies and manufacturing capabilities, demonstrating our mission to serve customers worldwide, as well as our commitment to building a more environmentally friendly society through the decarbonization of steel.

"NSC has long admired U. S. Steel with deep respect for its advanced technologies, rich history, and talented workforce and we believe we can jointly take on the challenge of raising our aspirations to even greater heights. The transaction builds on our presence in the United States and we are committed to honoring all of U.S. Steel’s existing union contracts. We look forward to collaborating closely with the U.S. Steel team to bring together the best of our companies and move forward together as the ‘Best Steelmaker with World-Leading Capabilities’.”

President and Chief Executive Officer of U.S. Steel, David B. Burritt, said, “NSC has a proven track record of acquiring, operating, and investing in steel mill facilities globally – and we are confident that, like our strategy, this combination is truly Best for All. This transaction realizes the tremendous value today in our company and is the result of our Board of Directors’ comprehensive and thorough strategic alternatives process. For our U.S. Steel employees, who I continue to be thankful for, the transaction combines like-minded steel companies with an unwavering focus on safety, shared goals, values, and strategies underpinned by rich histories.

"For customers, U.S. Steel and NSC create a truly global steel company with combined capabilities and innovation capable of meeting our customers' evolving needs. Today's announcement also benefits the United States – ensuring a competitive, domestic steel industry, while strengthening our presence globally. Our shared decarbonization focus is expected to enhance and accelerate our ability to provide customers with innovative steel solutions to meet sustainability goals."