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MUMBAI, India — For Lakshmi Mittal, the Indian-born steel magnate, the deal Sunday to acquire rival Arcelor caps decades of effort to rise from obscurity to build a global steel conglomerate.

But it was also much more than a personal success story. As the drama unfolded, it evolved into a clash between two major forces shaping the world economy: the ascendancy of India and China as fonts not only of low-cost labor, but also of new business models and ambitious new firms; and a rising tide of nervousness in the West that new competition will erode a cherished way of life.

"The emerging markets are running the big surpluses, they are accumulating capital and they will be spending abroad," said Daniel Gros, director of the Center for European Policy Studies in Brussels.

Kishore Mahbubani, a former Singaporean ambassador to the United Nations, said, "These are all tremors of the fact that the world system, which has been maintained by the United States and Europe, has suddenly got to adjust to the rise of China and India, and it ain't going to be easy."

The Arcelor deal could be just the beginning. "The industry needs much more consolidation going forward," said Jutta Rosenbaum of Commerzbank. The Chinese and Russian governments are urging their own steel producers to merge, she said, and companies in the West will need to do deals if they want to "maintain a balance of power."

Born in an electricity-free village in India's Rajasthan State, to the desert-dwelling Marwari merchant clan, Mittal became something of a symbol of globalization for its supporters and critics.

To the former, he is a new-age, borderless businessman shaking up the genteel, antiquated ways of "Old Europe." Now one of the world's richest people, according to Forbes magazine, Mittal started by buying a dilapidated

Indonesian steel plant with his father's money and then turning it around.

As others scoffed at his vision of a global steel giant replacing national champions, Mittal acquired factories in Trinidad, Mexico, Kazakhstan, the United States and beyond, reviving them by combining the best practices with extraordinary standardization and rigor.

Mittal also has attracted attention in his personal life. He has lived outside India for three decades and owns one of the most expensive homes in Britain, a \$127 million mansion in Kensington Palace Gardens in London. He made waves when he threw his daughter a European wedding, reputed to cost more than \$60 million, that included an evening at Versailles, a Kylie Minogue concert and a dance performance by Bollywood stars.

To Mittal's critics, most notably in Western Europe, he symbolizes everything fearsome about unrestrained, soulless capitalism. With its 88 percent ownership of Mittal Steel, the Mittal family has been accused - sometimes explicitly, often tacitly - of enriching itself at the expense of its workers, surrounding communities and the general environment. Mittal rejects such criticism.

Still, some Europeans suggest he has risen precisely because he has passed his costs on to society.

"We are a Luxembourg-based company with European cultural values," Guy Dollé, chief executive of Arcelor, said at a news conference shortly after Mittal announced his unsolicited bid Jan. 27. "That means a lot in terms of employee relations with their employer, and sustainable development."

European officials also rushed to denounce the offer. Thierry Breton, the French finance minister, said Mittal's attempt ignored "the grammar of the business world," for its abrupt nature. Prime Minister Jean-Claude Juncker of Luxembourg said that such a bid "requires a reaction that is at least as hostile."

Joseph Kinsch, the Arcelor chairman, was quoted as saying in late April, "We are involved in a war."

Dollé, the Arcelor chief, led the opposition, describing Mittal Steel, which

spans five continents, as a "group of less- than-average" businesses that would pay for Arcelor "in monkey money," a French colloquial expression that denotes worthlessness but that left itself open to more racially charged interpretations.

Indian officials were angered by the suggestion that an Indian-born resident of Britain, with a company registered in Rotterdam, was unfit to buy a European business.

During an interview in February at his home in New Delhi, Mittal described himself as being "really sad listening to the outburst and emotions of various people." But he declined to trade barbs. Instead, he sought to cast himself as an entrepreneur tearing down protectionist barriers so that other emerging-market companies would be spared the trouble.

At a time when much of Europe - particularly France, where Arcelor has 30,000 workers - is wrestling with high unemployment and a graying population, Mittal's bid also came as an unsettling harbinger of more challenges as developing countries flex new muscles.

"This is clearly creating within Europe the feeling that globalization is not just an empty word," said Patrick du Bois, a former Arcelor executive, "and that globalization does not just mean that European and U.S. companies are expanding their markets in other parts of the earth, but also clearly that investments are made by non-U.S. and non- European companies into Europe."

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