

European Steel Action Plan: Trade Unions continue to demand a real European industrial strategy

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European workers oppose the current short-term financial management of companies and the relocation of operations and call for a real plan for a sustainable future for steel in Europe.

Our European steel sector is facing various challenges, from the decrease in demand due to COVID-19, an increase in global overcapacity to the pressure to decarbonise. Nine months after the release of industriAll Europe's blueprint for an ambitious European Steel Action Plan, steelworkers across Europe raise not only the lack of any joint Action Plan with all stakeholders, but furthermore the **declining conditions facing steelworkers in Europe**. Increasingly the strategic importance of our sector is proclaimed by politicians and policymakers, but rhetoric has not been followed by action to safeguard good jobs in European steel.

Introduction

In light of the aforementioned challenges, industriAll Europe has consistently called for support from national governments and the EU for our sector, including continued safeguard measures, funding for green projects and international action to tackle global overproduction, often in concert with European steel sector employers. In fact, thousands of workers across Europe took part in a **Steel Action Day on 1 October** calling for support for the sector.

Therefore, trade unions are disappointed and indeed angry about the behaviour of some steel employers who are not acting responsibly nor socially in Europe. IndustriAll Europe calls on all steel companies in Europe to fully engage with their workforce, including full respect of information and consultation rights, and to continue to invest in Europe to guarantee a positive future for this important and strategic sector.

European trade unions are completely opposed to irresponsible financial management, the relocation of operations and cuts to investments in maintenance.

Concerns about financial management

One recent example of financial management which is very concerning, involves the Vallourec Group, a world specialist in seamless tubes, who have announced their financial restructuring with part of the debt converted into capital. In this operation, two American investment funds will become majority shareholders: Apollo and SVPGlobal. This is very concerning for workers, as Apollo played a key role in dismantling the Ascometal Group in France between 2012 and 2014, leading the group to file for bankruptcy. This cannot be repeated, and workers oppose any dismantling of the company!

Relocation of operations

There are real concerns that some European companies will focus on operations outside Europe. For example, Vallourec has reaffirmed their strategy to reduce production capacity in Europe and strengthen their position in the Americas, the Middle East and Asia. Furthermore, ArcelorMittal announced in 2021 that one of their priorities will be the development of its operations in India to the concern of workers in European sites, and in the context of the closure of the Cracow blast furnace and announced sale of InduSteel.

Trade unions call on European companies, who have benefitted from taxpayers' money (either from regional and national governments or the EU) to take responsibility for their European operations and continue to invest in their future positively.

Job cuts and drops in investment

European steel workers are becoming increasingly concerned about the number of major job cuts planned, or envisaged, within major groups such as **ArcelorMittal, ThyssenKrupp, Tata Steel, Liberty Steel**. It is clear that a new period of corporate consolidation is underway in the sector. IndustriAll Europe insists on the full application of information, consultation and participation rights for steelworkers in this process, in all companies.

Furthermore, significant concerns are being voiced on reductions in investments in plant maintenance and research and development budgets. This lack of maintenance and investment will only weaken the European sector in a fierce global market and in the course of the green and digital transitions. Furthermore, we have major concerns about the potential impact of reduced investment in maintenance on worker health and safety in our industry.

Current steel demand and production

It should be noted that some sites no longer know how to respond properly to the demand for steel, due to the unreliability of the production lines, but also due to voluntary restrictions on supply to raise steel prices.

Thus, steel multinationals are calling for political measures and financial aid from the EU and national governments, while pursuing internal strategies to reduce costs, particularly on labour, or are gradually relocating operations.

Future steel demand and production

Although the short-term impact of COVID-19 has indeed been great, there are opportunities for the European steel sector in the medium and long-term which must not be forgotten. The steel market will recover, especially in the areas of transport, construction and the energy transition. Furthermore, with the environmental targets set out by the EU in the European Green Deal, steel production should favour shorter supply chains, local recycling and close proximity between the producer and consumer to greatly reduce its carbon footprint.

The European steel sector remains a strategic sector and is essential in decarbonising Europe. As such, this is not a time to lower investments nor lose highly experienced workers in the sector.

European Steel Action Plan

IndustriAll Europe reiterates the need for a European Steel Action plan which tackles the challenges posed by COVID-19 plus the twin green and digital transitions.

As such, European trade unions continue to call for a **European Steel Action Plan** which specifically:

1. Stimulates demand and production in Europe which will help safeguard jobs;
2. Provides financial support in order to preserve skills and jobs;
3. Ensures that public aid is linked to strict conditions related to employment and investment in Europe;
4. Focuses on the need for strategic autonomy within Europe and opposes relocation outside Europe;

5. Ensures that national and/or European funding for R&D, and production related to that R&D, remains in Europe;
6. Allows the regaining of control over one's own production and puts an end to the transfer of strategic assets to groups whose interests lie outside Europe.

Conclusion

It is essential that all stakeholders in the steel industry come together to fight for the future of the sector. Real concerns about large-scale company restructuring, which could devastate some plants and local communities, plus aggressive foreign takeovers exist, and urgent measures are needed to safeguard this strategic sector for Europe.

European trade unions call on steel companies, national governments and EU to come to the table to agree on an ambitious and concrete plan for the steel sector which provides a pathway to a green and sustainable future for the sector and its workers.