**ArcelorMittal: strategic industrial assets for Europe must be preserved**

Declaration of ArcelorMittal and Ilva’s European trade unions

Brussels, 3 May 2018

In June 2017, ArcelorMittal reached a binding purchase agreement with the Italian government to take over Ilva. In so doing, ArcelorMittal intends to acquire Europe’s largest single-site integrated plant – that of Taranto, which hold the European record of 10 Mt of steel production capacities – as well as businesses such as high-added value steel products for the automotive industry, which are greatly complementary to its existing ones. Although challenging for it requires large investments to restore Ilva’s industrial competitiveness and ensure environmental compliance, the acquisition would help further consolidating one of Europe’s steel champions.

However, the great plan came to a sudden end as the European Commission raised serious doubts as to the compatibility of the transaction with the EU Merger regulation. Considering that ArcelorMittal might end up holding a dominant position in the flat carbon steel market which would lead to a distorted regulation of prices especially in Southern Europe, says the European Commission, it requested ArcelorMittal to submit disposal as remedies. On Friday 13 April, the news came as a bombshell as ArcelorMittal made its proposed divestment plan public and announced potential target for sales to be: plants in Ostrava (Czech Republic), Galati (Romania), Skopje (Macedonia), Dudelange (Luxembourg), Piombino (Italy), as well as production lines in Liège (Belgium). In an incredibly short deadline, the European Commission will reveal its decision on 23 May. **As much as 15,000+ direct jobs are at stake** **in addition to thousands of indirect jobs in each of the six local communities which are looking with anxiety to their now uncertain destiny**.

Trade unions that represent ArcelorMittal and Ilva workers in Belgium, Czech Republic, France, Italy, Luxembourg, Romania and Spain unanimously urge both the European Union institutions and ArcelorMittal management to revise their stance. Whereas they should be supporting ArcelorMittal’s growth and ability to compete worldwide, **EU competition rules and ArcelorMittal’s response to them weaken the company’s position and hang a big question mark over the future of the targeted sites, as well as of the remaining ArcelorMittal facilities**.

The European steel industry is already undergoing one of its most challenging times, being confronted with fierce and unregulated global competition ranging from unfair trade practices with China and other third countries to announced impeded trade exchange with the US; persisting production under-capacities prevailing in Europe against a global market flooded by steel over-capacities; and the need to quickly develop an energy-efficient industry to tackle climate change. Against this background, the proposed dismantling of one of Europe’s leading steelmakers’ integrated production networks remains inconceivable!

Both the European Commission and ArcelorMittal decisions sent a shockwave throughout Europe and came as an unacceptable surprise to workers and trade unions who were excluded from the months-long dialogue which took place behind closed doors between ArcelorMittal and the European Commission. The serious concerns those decisions raise are manifold and still have to be properly addressed.

Firstly, the decision-making process itself is flawed: there cannot be any discussion about asset disposals and corresponding restructuring until Ilva’s acquisition is over. This is far from being the case. Unless ArcelorMittal keeps up the commitment it made to the Italian government, especially in terms of the number of Ilva’s workers to be maintained, and fully respects the fair employment and wage conditions for the transfer of Ilva’s workers, the required agreement with Italian trade unions will not be reached.

Secondly, the sites that ArcelorMittal has unilaterally chosen to target for divestment are those which have been suffering for years from ArcelorMittal under-utilisation, under-investment and drastic reorganisation plans aimed at restoring profitability. It is not only unacceptable that the sacrifices made by ArcelorMittal workers are not paying off, but it is also hard to believe that they are placed under even greater uncertainty as the viability of those sites will be further challenged by the divestment process.

Thirdly, the interdependence of ArcelorMittal production sites has been totally overlooked. Sites which are targeted for sale also act as suppliers to other ArcelorMittal production sites in Europe, which will thus suffer very direct consequences on their own production capabilities.

Fourthly, putting European strategic industrial assets up for sale to non-European competitors is directly endangering European independence in steel production. In the absence of any guarantee on those foreign investors’ commitment to maintain long-term production activities on sites, such external market opening will further contribute to erode our European industrial base.

Fifthly and finally, workers and their representatives have been unduly deprived from exercising their fundamental rights to information and consultation on what is nevertheless a major envisaged measure which may significantly affect their jobs and livelihoods. Hiding behind a so-called confidentiality that EU competition rules would impose (a claim lately dismissed by Commissioner Vestager), ArcelorMittal failed to provide substantial enough information for workers’ representatives to conduct the in-depth assessment they are entitled to. While talks went on for months between ArcelorMittal and the European Commission, workers and their representatives are now left with 15 working days only for the European Works Council to develop an opinion that the management expects to be delivered on 17 May.

Against this background, and under considerable and unacceptable time pressure, trade unions from across Europe urgently demand both ArcelorMittal and the European Commission to:

* **Provide full transparency** on all of the merger control procedure applied to the present case, and immediate information disclosure on existing market, industrial, financial, environmental and social analyses and forecast;
* **Commit to the long-term industrial growth, quality employment and viable solutions** for all European ArcelorMittal and Ilva sites, whatever outcome on-going procedures would deliver;
* **Fully involve trade unions and worker representatives** before any decision be made either by the European Commission or ArcelorMittal, on both the acquisition of Ilva itself, the proposed divestment plan, and the potential search for new buyers, if any.

ArcelorMittal and Ilva trade unions remain flabbergasted by the absolute lack of consistency in European Union policies that the current situation is highlighting, and therefore call the European Commission to deliver an immediate response to the crucial need for:

* **A revision of anachronistic EU competition rules**, to ensure that European companies which operate on global markets benefit from a level playing field;
* **An ambitious steel industrial strategy**, to support the sector which remains the backbone of our European economy;
* **An equal treatment for the respect of workers’ rights and the defence of industrial strategic interests alongside internal market competition considerations**.

European trade unions are committed to defending the future of ArcelorMittal and Ilva jobs and sites across Europe. They will continue to call upon national and European policy-makers as well as ArcelorMittal management to meet their social and industrial responsibilities.