European Shipbuilding/Maritime Technology Sector: impact of COVID 19

Updated: 02/04/2020

The European maritime technology sector, like other industrial sectors, has been impacted by the COVID-19 pandemic. Production has decreased due to health and safety concerns and in some cases production has stopped completely.

Trade unions are in constant discussions with management with some agreements being made (e.g. in Italy). However, some real health and safety concerns have been raised in some countries (e.g. France) where unions are calling for some sites to be closed.

It must be stressed that the current COVID-19 pandemic cannot be used by employers as a way to undermine workers' rights. The shipbuilding industry is already under huge pressure due to an unfair level playing field in international trade and much work will need to be done post the Covid-19 pandemic to ensure that the European sector can remain competitive on the international level.

Company Updates

<u>1 April</u> – SEA Europe released a declaration calling for urgent, tailor-made sectoral support to safeguard the survival of Europe's strategic maritime technology industry.

SEA Europe have also set up a **Task Force on Covid-19**, are organising **weekly "mini" Directors Committee meetings** to report about the situation in each country and they will circulate a **survey** for companies to complete. We will of course discuss the situation at our next **social dialogue meeting**.

SEA Europe signed a <u>joint statement</u> with other stakeholders to stress the importance of the transport sector during this pandemic.

Navantia

<u>1 April</u> – following the shutdown measures announced by the Spanish Government (until 12 April), Navantia and Spanish trade unions reached the following agreement:

- The approval of a recoverable paid leave, mandatory and limited in time between March 30 and April 9, (both included), for all those employees who do not currently carry out any on-site activity. The Emergency Committees will monitor the minimum services required to continue the minimum essential activity in the work centers, in accordance with the provisions of Royal Decree-Law 10/20.
- Employees on a temporary incapacity leave or whose contract is suspended for other legally
 established causes, (maternity, paternity), people on the company employment regulation
 order ERE 20/2019, as well as the workforce who can continue carrying out on remote its
 activity as is usual, will not be affected by this measure.

<u>24 March</u> – Navantia offers is resources and experiences in 3D printing.

<u>15 March</u>- exceptional measures to be introduced from 16 March including OSH measures, travel bans, setting up a Central Emergency Committee and only essential/core work to take place.

Fincantieri

<u>26 March</u>- decision to further extend the work stoppage beyond 30 March in all its Military and Cruise Vessels production plants.

Agreement signed with trade unions (FIM, FIOM and UILM) to guarantee continuity in production at the end of the stoppage. It includes:

- the Company shall apply for Ordinary Redundancy Fund for "COVID-19 Emergency", at zero hours, for all employees of all Company sites, as of March 30th and for the entire stoppage period envisaged by the decree as of today's date;
- as an alternative to the Ordinary Redundancy Fund, employees may take accrued holidays/paid annual leave (PAL), with prior approval request;
- during the period of time covered by the Ordinary Redundancy Fund, all maintenance and safety activities and essential servicing of plants and facilities shall continue, as shall also all managerial and management activities that are strictly necessary to fulfil the Company's current obligations and to carry out all activities that are preliminary to resuming production;
- the Company shall continue adopting smart work solutions where applicable, as determined by the specific work activities concerned and the availability of compatible IT equipment.
- Also agreed: employees will take holidays and/or PAL matured as of December 31st, 2019, and/or PAL hours matured in the year 2020 and there will be no annual summer stoppage.

13 March- production activities to be stopped for two weeks (16 March – 29 March).

Naval group

- 17 March-Lorient: site remains open but reduced capacity to only essential work.
- 20 March- Cherbourg: extends suspension of production.
- 25 March- production continues.

Babcock

27 March- UK: Rosyth yard is on partial lockdown with only some projects ongoing under heightened safety and security measures. Workers who are unable to work are still receiving full pay. All workers must observe social distancing.

26 March- Babcock released a statement on the impact of Covid-19.

Chantiers de l'Atlantique

- 17 March- trade unions (CGT and FO) demand the closure of the Saint-Nazare site.
- 18 March- reduced activities and reduced working time.

Meyer Werft

Company has released a <u>questionnaire</u> which all workers need to complete before they enter the shipyard.

Full measures are <u>listed</u> and updated.

Hours will be adjusted from 30 March to avoid the cross-over of teams.

Damen Group

16 March - production continues with necessary adjustments and increased OSH measures.

Country Updates

Spain

27 March- update received from UGT-FICA

The situation is changing every day and there are real concerns for the health and safety of workers who are demanding personal protective equipment in line with WHO guidelines.

VIZKAIA

Zamacona Shipyard- there was a one-day stoppage while trade unions agreed on the safety protocol with the company.

Murueta shipyard – the calendar has been updated.

GUIPUZCOA

Zumaia shipyard- working normally.

Pasaia Shipyard-lack of work, but work is continuing

GALICIA

Astill.Metalsphips—stopped and negotiating an ERTE (expediente de regulación temporal de empleotemporary redundancy for a major cause).

Ast.Freire - stopped and negotiating an ERTE

Ast.Barriers- few people continue to work.

ASTURIAS

Ast. Gondan- an agreement has been reached and the site is closed for 15 days.

Ast.Armon- operating as normal.

Ast. Juliana- operating but with many issues due to lack of safety measures.

27 March- update received from CCOO

Many shipyards and other industries are closing due to the huge number of cases in Spain. Some shipyards remain open with increased OSH measures and extra checks e.g. temperature taken at entrance gates. Unions are concerned about the impact on subcontractors.

A guide is being used to support workers' rights.



Denmark

27 March- Dansk Metal shared a paper on the labour market and business situation in Denmark.

Five political packages have been released which are not exclusive for the maritime or shipbuilding industries, but they also apply to these sectors.

There are various measures including: more flexible short-time work (with employees receiving supplementary unemployment benefits) and wage compensation for companies. Furthermore, CO-Industri and Dansk Industri have added to their tripartite agreement to handle force majeure and layoffs due to COVID-19 according to the collective agreement for blue collar workers in the manufacturing sector.



Germany

Shipyards are beginning to close.

<u>1 April</u> - naval yards Kiel (GNYK) applies for short-time working as of 1 April 2020 and will temporarily close parts of the yard.

27 March- MV Werften in Wismar, Stralsund and Rostock have closed.

19 March- Flensburger Schiffbau Gesellschaft closed.



FSG_PRESS RELEASE 18_03_2020.pdf

Workers are entitled to short-term money (Kurzarbeitergeld) from the state, which is 60/67% of their former net income. IGM is working to have more regulations in companies to enable the workers to receive more money.