IndustriAll European Trade Union’s Motions 2016-2020

As adopted by the 2nd industriAll Europe Congress on 8th June 2016

Our future rests on European steel!

One important lesson learnt from the global financial and economic crisis of 2008 is that countries with high levels of industrial value added recovered more quickly than countries with low levels of value added.

This lesson has led the European Union to seek to stem the steadily declining share of gross value added accounted for by industry and resolve measures aimed at reindustrialising the Union.

Preservation of all-embracing value-added chains is absolutely essential to this end. Basic metals and their further processing in the automotive industry, machinery and plant engineering, the building industry and household appliances industry make a significant contribution to industrial value added.

In particular, the steel sector is of crucial importance to a competitive industrial base, as it is very closely associated with these value-added chains.

The European steel industry is in a very difficult situation at present. The sector has never really recovered from the economic crisis. Demand for steel remains sluggish, significantly lower than pre-crisis levels, with considerable blast-furnace capacities in Europe already having been idled as a result. On top of this, more than 80,000 European jobs in this sector were slashed over the period 2008 to 2014 (2008: 420,000 employees; 2014: 340,000 employees). This trend continues unabated.

In spite of the gradual upturn we are seeing in various steel-processing sectors and despite its strong potential, the European steel industry itself has not been able to capitalise on this resurgence to date. On the contrary: While global steel production has returned to the growth track in the wake of the economic crisis, production in the EU is stagnating at a low level, and prices remain at exceptionally low levels mainly as a result of global overcapacities, unfair commercial practices and under-valued currencies, calling into question the profitability of the plants and the viability of the steel sector. High energy prices are an additional burden for the European steel industry. In most European countries, the upturn in demand has mainly benefited imports. This situation has been compounded by the fact that too much capacity reduction, particularly since 2009, has favoured imports which have made up for the inability of European plants to meet the demand for certain products. IndustriAll Europe has repeatedly highlighted the risk of reducing production capacities in Europe.

What is needed for a sustainable recovery of the European economy – and hence a positive impetus for steel consumption as well – is a European investment plan like the one that the European trade union movement has been demanding for years. Above and beyond this, the unilateral, aggressive austerity policy has to finally be brought to an end, as this has also had a negative impact on our internal markets.

On the supply side, global overcapacities, especially in China and in Russia, have led to a dramatic increase in exports, destabilising global steel markets and thereby putting increasing pressure on the European market and threatening our jobs. The overcapacity in China alone has been estimated at around 350 million tonnes, almost double of the EU’s annual production (OECD figures – 2015).
The unprecedented number of anti-dumping complaints demonstrates that overcapacity in third countries has given rise to a wave of unfair trade practices with steel being sold in the EU single market at heavily discounted prices with the support of direct and indirect subsidies. China’s overcapacity is already having considerable social, economic and environmental consequences in the EU and should the EU consider China a market economy, such a decision would have a direct and immediate negative impact on investment and job creation in the EU. The European steel industry has confronted this steadily growing pressure from imports with restructuring, cost-reduction programmes and layoffs thus far. This strategy has now begun to run up against its limits, while the burden has been largely borne by employees. At the same time, there is a dangerous backlog of investment in the steel industry that poses a threat to its very viability.

As a result of these problems plaguing the steel industry, there is a new round of consolidation in the European steel industry on the horizon. We are witnessing widespread restructuring in the European steel industry. The entire British steel industry is being put up for sale. Unfortunately, there is now a very real danger of increasing job losses throughout the entire European steel industry!

Without appropriate measures being taken to afford this sector protection accompanied by additional growth impetus from a European investment programme, the viability of the European steel industry - and of the essential parts of the value-added chains which process steel - is at stake.

Our steel industry has the highest environmental standards in the world. Moreover, there can be no ecological future without steel. Steel is an elementary material that is indispensable for energy transition and which is urgently needed for environmental conversion. Projects such as wind energy, solar energy and hydroelectric power are not feasible without steel. With the reform of the EU emissions-trading system, however, a further tightening of requirements applying to the steel industry poses an additional threat to jobs. IndustriAll Europe is committed to protecting the climate and the environment. For this reason, our task is to prevent the European steel industry from being put at risk in this manner, as the most environmentally-friendly steel production in the world takes place right here. Relocation of production capacities to countries outside Europe where no comparable emissions-trading systems exist would be counter-productive when it comes to climate protection because it would lead to greater emissions.

IndustriAll Europe will work at all levels of policy-making to ensure that:

- an urgently needed European investment programme for the future like the one being called for by the ETUC since 2013 finally becomes a reality;
- stricter trade-protection instruments are speedily applied and further refined to prevent imports of dumped steel in a resolute manner. Fairer international competition with equal competitive conditions is absolutely essential in terms of maintaining and preserving the European steel industry. The EU needs to establish robust and swift trade defence instruments in order to be able to efficiently defend its industry and its employment.
- first and foremost, European industries, primarily steel and aluminium, are efficiently protected on a sectoral and case-by-case basis by trade defence measures.
- in addition to the basic positions of the urgent Resolution "Free trade must be fair to guarantee a future for European industrial workers", which opposes the granting of MES, we emphasise the creation of functioning and stricter trade defence instruments as a condition "sine qua non" for granting MES to China;
- the impending consolidation of the steel industry does not take place unilaterally at the expense of employees;
- investment in the European steel industry is boosted to modernise plants and equipment while promoting research on and development of new products;
- the EU emissions-trading system is not reformed at the expense of employees in the steel industry and that instead the European steel industry is revived and modernised while at the same time attaining European climate targets. Measures have to be taken to ensure that energy prices do not undermine the competitiveness of the steel industry.
- the European Steel Action Plan is further refined and finally spelled out in the form of specific measures to preserve and maintain the European steel industry.
in accordance with our previous positions, we call for strong collective bargaining and industrial relations systems to combat austerity policies and to deal with the challenges of the steel industry, also through increasing wage levels.

Europe needs a fair economic, trade and climate policy so that industrial work can also make an important contribution in the future towards ensuring widespread prosperity for European society!