

21 October 2022, Brussels

**To:**

**Commissioner Breton, Commissioner for the Internal Market  
Commissioner Schmit, Commissioner for Jobs and Social Rights**

**Email:**

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## **Re: Urgent EU intervention needed to save 4,000 steel jobs at ISD Dunafer (Hungary)**

Dear Commissioners,

We are writing to you in your capacities as the Commissioners for the internal market and jobs and social rights respectively, to ask for an urgent EU investigation into the business conduct and lack of respect for workers' rights at ISD Dunafer, stressing the strategic importance of European steel for the EU's strategic autonomy.

ISD Dunafer is estimated to employ around **4,000 workers**, with more employed in the supply chain, and its continuation is of vital importance to the lives of the citizens of Dunaujváros and for the local economy. Trade unions have complained about the lack of support from the national government which has most regrettably led to the increase in support for the far right, a pattern which we have seen across Europe and which threatens the EU project as a whole.

We would like to raise some serious issues to you both which we believe should be investigated immediately by the European Commission, noting their contradictions with the running of the EU internal market and workers' rights as set out in EU legislation.

Firstly, a court ruling has found that since the end of 2020, ISD Dunafer has **functioned outside national legal regulations**. The company's CEO, board of directors and supervisory board are not officially registered at the court and the court has not received the financial reports adopted by the general meeting for the years 2019, 2020 and 2021.

Secondly, in August 2020, the **company unilaterally decided to suspend the valid collective agreement** which a subsequent court decision ruled as invalid as the CEO in place was not appropriately registered. Our trade union affiliate, VASAS, requested negotiations with the management, but as there was no reaction, filed a complaint demanding that the collective agreement must be respected and that the workers must receive their agreed wages and allowances. This complaint is currently being investigated and the trade union is collecting workers' signatures to launch a class action lawsuit.

Thirdly, since the end of 2019, the **trade union has been denied access to the site** even after winning a lawsuit to ensure access. This terrible treatment of trade union representatives at ISD Dunafer is not new, and we have [previously reported](#) on the unjustified dismissals of trade union representatives there.

Fourthly, the **production of high-quality European steel is crucial for European infrastructure** and for producing vital equipment to meet the EU's Green Deal ambitions, such as wind turbines. Russia's illegal invasion of Ukraine has highlighted the need for Europe to increase its strategic autonomy, especially in relation to strategically important sectors such as steel. However, the energy and raw material crises, which are impacting energy-intensive industries across Europe, are being particularly felt at ISD Dunafer and there are [concerns that the second blast furnace could be closed](#), with production stopped completely.

We continue to [call for EU action](#) to ensure that EU industry and its workers do not fall victim to the energy crisis, and we ask the European Commission to provide much-needed assistance in the case of ISD Dunafer, in coordination with the Hungarian Government.

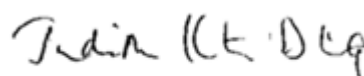
Lastly, with support for the far right on the rise in these challenging times, it has never been more important for the EU to show its solidarity and strength in times of need. While some information has been made available from the [local government](#), trade unions stress that for a company of this size and importance, **the national government must step in**. We ask the European Commission to raise this case directly to the Hungarian Permanent Representation to the EU.

In conclusion, the situation facing workers at ISD Dunafer, and the local community, is extremely concerning. The company does not appear to be working within the national legal business framework, and EU working rights, including on information and consultation, are not being respected. We call on the EU to launch an investigation into the functioning of ISD Dunafer, while also working with the Hungarian Government to ensure that the site can remain operational for the sake of the thousands of workers and the local community reliant on the site.

Yours sincerely,



**Luc Triangle**  
General Secretary  
IndustriAll European Trade Union



**Judith Kirton-Darling**  
Deputy General Secretary  
IndustriAll European Trade Union