

Declaration

Liberty Steel:

Mr Gupta's irresponsible management putting Europe's strategic steel production at risk

Brussels and Geneva, 6 February 2024

Under the auspices of their European and global federations – [industriAll Europe](#) and [IndustriALL Global Union](#) - the trade unions representing GFG Alliance/Liberty Steel workers in Australia, Belgium, Czechia, Hungary, Italy, Luxembourg, Poland, Romania, the UK and US, have held a crisis meeting online to warn against the risk of Europe's steel production capacities becoming severely damaged and the green steel challenge unmet due to Mr Gupta's irresponsible management.

Production capacities of Liberty Steel are at a dramatically low level in Europe, with blast furnaces idle for weeks without any clear prospect for restarting in several of the European facilities. 20,000+ European steel workers at Ostrava (Czechia), Galati (Romania), Dudelange (Luxembourg), Liège (Belgium), Częstochowa (Poland), Dunaújváros (Hungary) and Piombino (Italy) are either sent home, as production has stopped, to wait in hope that their wages will continue to be fully and timely paid, or live with the daily uncertainty and fear for the future of their jobs.

The lack of liquid capital for many of GFG Alliance's European plants has led to a historically severe crisis, where suppliers' bills are no longer paid, raw material is lacking, energy is cut, and basic maintenance is suspended despite a hard winter, with frosts which further damage facilities. The crisis has a direct knock-on effect for GFG Alliance's suppliers, who are going bankrupt or are on the verge of doing so. In Czechia, the Ostrava plant's energy supplier Tameh declared insolvency in December 2023, while 117 of Liberty's subcontractors onsite are suffering from the consequences of the crisis as they are deprived of heating or water. Not only is the future of the Ostrava plant at stake, and that of its 6,000 workers, but it is an entire region and local supply chain composed of 30,000 indirect jobs and 900 SMEs connected to Liberty Steel's operations which could pay the price of pure mismanagement.

The level of concern has reached an all-time high level amongst workers as dialogue with trade unions and public authorities falls short of being satisfactory. IndustriAll Europe and IndustriALL Global Union have been repeatedly calling for an emergency meeting between Mr Gupta and a delegation of GFG Alliance's trade unions for months without success. Management keeps on depriving trade union representatives of the detailed information they are entitled to under European law about Mr Gupta's finances, investment plans and industrial strategy for each of GFG Alliance's sites. Regional and national public authorities are no better off. Last week, the Czech Minister of Industry and Trade appealed to Liberty Steel, threatening the management board with legal action should the company fail to provide a solid industrial plan for the long-term growth of the Ostrava plant.

Reactions from the trade unions at the plants which used to belong to ArcelorMittal moved from concern to anger as they recalled the responsibility carried by the European Commission in today's crisis. Four years ago, the Ostrava, Galati, Liège, Dudelange, Piombino and Skopje sites were integrated in the production system of a multinational group whose internal coordination provided some degree of security. On the day the European Commission announced in 2018 that it required ArcelorMittal to divest those sites to complete the takeover of a major facility in Italy, all trade unions sounded the alarm bell. Speaking with one voice, they called on the European Union and Member States to refrain from selling European strategic industrial assets to non-European competitors who refused to provide solid guarantees for the maintenance of long-term production activities at European sites. Committed to fighting the erosion of the European industrial base, trade unions warned specifically against Mr Gupta's dubious financial situations which were casting severe doubts as to Liberty Steel's ability to guarantee a viable management of the acquired ArcelorMittal sites.

Four years later, the critical situation of Liberty Steel in Europe is regrettably proving trade unions right. Production facilities are damaged after months of inactivity. Highly committed workers who developed strategic know-how over years of professional experience are leaving the company for lack of future prospect. Suppliers and customers alike question the relevance of maintaining their business relationships with a company which proves unable to live up to its promises. Millions of euros are now required to fix the harm, resume production and invest in green steel.

Mr Gupta's mismanagement is putting Europe's autonomy in steel production at risk, at a time when the EU cannot afford to deprive itself of such strategic assets, especially with wars being fought at our doors. On behalf of the hundreds of thousands of steel workers around the world, industriAll Europe and IndustriALL Global Union urge for immediate action to avoid any further deindustrialisation.

Specifically, IndustriALL Global Union and industriAll Europe urge:

- 1. Mr Gupta to provide full transparency about GFG Alliance's consolidated finances and the specific refinancing plan for Europe, as well as a detailed schedule for production resumption at Liberty Steel's European plants.** An open dialogue with workers and their legitimate representatives can no longer wait. We urge Mr Gupta to meet a global delegation of GFG trade union leaders without further ado.
- 2. The European Commission to set up a crisis taskforce on the GFG Alliance/Liberty Steel's case.** The EU's top leaders must be held responsible for defending Europe's strategic autonomy in steel production, including the rescue of GFG Alliance's plants in distress.
- 3. National governments where GFG Alliance/Liberty Steel operates to call on Mr Gupta to commit to an industrial plan and social guarantees, especially when granting public funding.** There can be no blank cheques for a company which is proving this unreliable.

The GFG Alliance's trade unions across the world defend a future-oriented steel production activity, leading to job creation and industrial development. Today they have addressed an official request to the President of the European Commission for an urgent, high-level meeting aimed at discussing rescue plans

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for GFG Alliance/Liberty Steel's sites in Europe. GFG Alliance/Liberty Steel trade unions are also considering industrial action in the coming weeks. They will pursue their coordination at national, European and global levels, under the auspices of industriAll Europe and IndustriALL Global Union, to secure the future of steel jobs and production capacities globally.