

## Declaration

# Liberty Steel crisis:

# Emergency actions needed to safeguard Europe's strategic steel assets from collapse

Brussels, 27 June 2024

As the shocking news of Liberty Steel's Ostrava (Czechia) and Częstochowa (Poland) plants undergoing insolvency proceedings hit, trade unions defending the +18,000 GFG Alliance/Liberty Steel workers in Belgium, Czechia, Hungary, Italy, Luxembourg, Poland, Romania and the UK held an emergency crisis meeting online on Friday, 21 June under the auspices of [industriAll Europe](#) and [IndustriALL Global Union](#). They now call for urgent national and European public action to avoid the collapse of Europe's strategic steel assets, and emergency support to the tens of thousands of direct and indirect jobs impacted by the Liberty Steel crisis in continental Europe.

Trade unions have been raising the alarm bell for months about the irreversible damages that GFG Alliance Group's mismanagement could bring to bear on Liberty Steel's continental Europe assets. Production has been stopped for almost two years at some sites, and many blast furnaces remain idled despite the announcement that this would be temporary. In Liège (Belgium), Dudelange (Luxembourg), Magona (Italy), Ostrava (Czechia) and Częstochowa (Poland), thousands of workers have been sent home or left in the dark with no tangible prospect for their future, suppliers' complaints about overdue payments have multiplied, and facilities have started to deteriorate due to basic maintenance being suspended due to the lack of working capital.

Liberty Steel workers have raised their concerns loud and clear on several occasions. A [major protest action was held in Ostrava at the end of February](#), gathering thousands of steelworkers and their families, while a [high-level EU meeting](#) convened at industriAll Europe's request took place at the end of March, with EU policymakers and multinational company leaders addressing the challenges faced by the steel industry in general and Liberty Steel's difficulties in continental Europe in particular.

Yet, the Liberty Steel crisis has continued to worsen to extreme extents.

On 15 May, the Group announced that it was open to sell the Liège (BE), Dudelange (LU) and Magona (IT) sites. On 10 June, the Group announced the permanent closure of the two coke ovens at Dunaújváros (HU), with an impact on 520 workers to be retrained and transferred to new positions. The combination of adverse steel market conditions and the GFG Alliance Group's dramatic lack of liquid capital has led to an unimaginable decision for the steel industry, an industry which is the backbone of the entire European economy: the activation of insolvency proceedings at Ostrava (CZ) and Częstochowa (PL)! Over the last two weeks, the +5,000 Liberty Ostrava workers learnt overnight that their wages would no longer be paid, while the +1,000 Liberty Częstochowa workers learnt that their plant had been placed under forced

management by the local economic court. The crisis at Liberty Steel's continental European operations is also raising massive concerns at all the other plants worldwide, which fear snowballing effects.

Five years ago, the Ostrava, Liège, Dudelange and Magona sites were integrated into the production system of a multinational group – ArcelorMittal - whose internal coordination provided some degree of security. When the EU competition authorities announced in 2018 that they required ArcelorMittal to divest those sites to complete the takeover of a major facility in Italy, and approved Liberty Steel's purchase of those sites in 2019, trade unions warned specifically against Mr Gupta's dubious financial situations which were casting severe doubts about the Group's ability to guarantee a viable management of the acquired sites. Five years later, the unprecedented crisis that Liberty Steel's continental European sites are going through is regrettably proving trade unions right.

IndustriAll Europe recalls that Europe is in no position to deprive itself of assets of such a strategic value at a time of massive industrial transformation and geopolitical instabilities at its doors. Insolvency proceedings are targeting potentially profitable steel production facilities which deliver high-quality steel products matching customers' needs, including green steel slabs and plates at the Częstochowa plant. IndustriAll Europe and Liberty Steel trade unions will not accept that Europe loses its steel production capacities at such a critical time for the sector, and that workers bear the brunt of mismanagement.

Speaking with one voice, trade unions call on the European Union and Member States to refrain from selling strategic European industrial assets to investors who would refuse to provide solid guarantees for the maintenance of long-term production activities at European sites and quality jobs for workers. IndustriAll Europe urges for immediate action to avoid an industrial catastrophe.

#### **GFG Alliance/Liberty Steel trade unions urgently demand:**

- 1. Emergency public support for the 5,000 Ostrava workers** whose wages will stop being paid this summer, using available EU funding and support mechanisms.
- 2. Emergency public taskforces to save the Ostrava and Częstochowa sites from bankruptcy**, based on close cooperation between trade unions and national and European authorities.
- 3. Enforcing a “responsible buyer” principle** for all the sites opened for divestment, which includes strong social, financial and industrial guarantees to secure the long-term viability of the sites and future of the jobs. Companies and public authorities involved in the divestment process must secure the full involvement of all concerned trade unions.
- 4. Full transparency about the future of the sites remaining under GFG Alliance's remit**, including investment and financial plans, business development plans and the timeline for implementation. Clarity about the access and use of public funding (e.g. state loans, credit guarantees) received by the GFG Alliance Group to support its European operations must be urgently provided.
- 5. A review of EU Competition rules** regarding the European Commission's assessment processes and accountability when approving a “suitable purchaser” in the event of remedies.

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GFG Alliance's trade unions defend a future-oriented steel production activity, leading to job creation and industrial development focused on decarbonisation. They will pursue their coordination at national, European and global level, under the auspices of industriAll Europe and their global federation IndustriALL Global Union, to secure the future of steel jobs and production capacities globally.