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STEEL INDUSTRY TRIPARTITE: AN AGREEMENT IN PRINCIPLE HAS BEEN REACHED AND THE SOCIAL PLAN IS DISCARDED

At the **tripartite meeting** on 15 December 2020 an **agreement in principle** was reached between the Luxembourg government, the management of ArcelorMittal and representatives of the contracting unions. The final agreement, which will provide a **guarantee of employment** for ArcelorMittal employees and the **keeping of the steel sites and structures** in Luxembourg for five years (2021-2025), will be drawn up early next year.

As a reminder, this tripartite agreement is the direct consequence of the decision of ArcelorMittal's management to proceed with a savings project aimed at improving the company's profitability, behind which, however, is hidden a restructuring plan resulting in a **15% reduction in the workforce**. This corresponds to the **elimination of 536 full-time positions (out of 3514)** at the various sites across the country, including Differdange, Dommeldange, Esch-Belval, Rodange, Administration (Luxembourg and Esch-sur-Alzette) and Bissen.



Today and tomorrow: a job guarantee for all employees

From the outset, **the OGBL, majority union in the steel sector and within the ArcelorMittal Luxembourg entity**, asked for a tripartite meeting to be held in order to maintain jobs and to oblige the company to invest to ensure the keeping of the sites and production tools as well as the modernisation of the installations, in order to guarantee a future for the steel industry in Luxembourg.

The elimination of posts will result in overstaffing throughout the duration of the agreement. In addition to the planned natural departures (retirements, early retirements for shift work and other departures), the parties have agreed to make use of **early retirement due to corporate restructuring**. It is estimated that around **240 employees** will be able to benefit from a departure, thus mitigating the effects of the restructuring plan. This currently includes **all employees born in or before 1964**. The latter will be able to make use of it throughout the agreement.

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Subsequent years may also be considered, if the social partners agree. This will be subject to validation by the competent bodies.

At the same time, all employees who have lost their jobs will be integrated into the new “**cellule de reclassement (CDR)**”. Although it has proved its worth in the past, the OGBL has pleaded for the establishment of a “**CDR 2.0**” with the aim of accompanying employees with a view to **reassigning them to a permanent position** as quickly as possible. According to ArcelorMittal, up to **280 employees** could potentially join it. The social partners have agreed to use all the instruments made available: temporary assignments, temporary loan of labour, continuing training and others, in order to avoid recourse to short-time working. It is clear that employees in CDR will also be given priority when replacements are needed following departures.

As far as subcontracting projects are concerned, the OGBL has obtained the suspension of some of them. As a result, **outsourcing has been suspended for 60 full-time employees**, which corresponds to almost half of the initial projects.

Keeping all sites and ensuring a future for the Luxembourg steel industry

The OGBL has from the outset demanded investments to ensure the future of the company's jobs and activities, even beyond the agreement. These investments constitute guarantees to ensure that the project is supported by the staff representatives. On these points, the ministries have joined the OGBL in demanding not only commitments, but also guarantees in the event of non-compliance with the commitments made. Thus, after lengthy discussions, the management of **ArcelorMittal committed to invest between 165 and 202.5 million euros**. The first figure is a minimum threshold to guarantee the maintenance of the tools, of which at least **65 million euro is needed to reinforce the sites with key projects**. Employee representatives and the government have also obtained **guarantees that ArcelorMittal's headquarters in Luxembourg and its activities will be maintained**. A strong signal was also sent by government representatives, who demanded that the company reimburse part of the aid obtained if it does not respect the commitments made. This demand is part of the demands of the OGBL at national level, which is calling for companies receiving aid to be held accountable.

Even if some had already announced its death, the company confirmed its willingness to **maintain the Dommeldange site**. For the OGBL, it will be necessary to develop an industrial plan to guarantee the existence of this mechanical workshop dedicated to the Luxembourg steel sites, following the example of what will be necessary for all the steel sites. The OGBL has identified priority investments and will focus on all future projects in order to **build the steel industry of tomorrow**.

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For the OGBL, the work has only just begun

The OGBL does not hide its disappointment with the management's decision to cut jobs, motivated by the pursuit of greater profitability, without taking into account the harmful consequences this will have for the employees concerned. The signing of this tripartite agreement will nevertheless offer a little respite to ArcelorMittal employees regarding their existence and their future.

However, the OGBL remains vigilant and will ensure the defence of the interests of all ArcelorMittal employees throughout the agreement. This includes the full **keeping of pay and working conditions**. Health and safety must be an essential part of the approach in order to guarantee **well-being at work**. These elements are part of the OGBL's reflections and will influence its decision-making on the various **future reorganisations**. Finally, **the OGBL would like to salute the action and commitment of the Luxembourg government**, which has made it possible to reach this agreement guaranteeing that the steel industry is and continues to be part of Luxembourg's identity.

If you have any questions please do not hesitate to contact your OGBL delegates.

Your OGBL delegates