Statement by European Works Council of Tata Steel Europe

On 27 November 2019 the European Works Council (EWC) of Tata Steel Europe (TSE) met with the Executive Committee (ExCo) of TSE. The most important topic on the agenda was the Transformation Programme announced by Tata Steel following the collapse of the joint venture discussions with ThyssenKrupp.

Regrettably the EWC has been forced to conclude that the content of the plan by the ExCo and the lack of detail is unacceptable. The plan provides no proper analysis of the problems, aside from the well-known fact the European steel market is going through a difficult period.

The EWC expected the ExCo to develop a robust and resilient plan, indicating which activities will remain with TSE in the future. The EWC also expected ExCo to demonstrate how TSE intends to invest and develop its activities over the coming years.

However the EWC believes the company’s plans are focused primarily on cutting costs, making staff redundant, and potentially selling off parts of the business and outsourcing work to India. The company’s plans ignore the fact the current situation is above all the result of years of underinvestment, and the continuing failure to invest is putting in danger the sustainability of the European assets of Tata Steel. Cutting 3,000 jobs will not fix the problems and the EWC will oppose any compulsory redundancies.

The EWC is fully aware of the situation of Tata Steel Group and the pressure on the balance sheet following an aggressive organic growth and acquisitions strategy in India. The EWC nevertheless wants to be assured that Tata Steel will support the European operations through the transition to low carbon steelmaking. The development of the current strategy should encompass this challenge and incorporate the key decisions that must be taken soon to secure the future of steelmaking at TSE.

The EWC has informed the ExCo of its deep disappointment with the quality of their plans and their failure to produce a vision for a sustainable future. The EWC does not believe that meaningful consultation is possible on the basis of the company’s limited proposals and the lack of information provided. Therefore the EWC has advised the ExCo they must reconsider their proposals and come back to the EWC with revised plans that address our concerns and the ExCo has agreed to that request.

The European Works Council, Tata Steel Europe