## **Arcelor-Mittal**

Arcelor-Mittal is the largest steel company in the world, with 315,867 employees in more than 60 countries. The company was formed in 2006 by the merger of Arcelor and Mittal Steel. It ranks 28th on the 2009 Fortune Global 500 list. The company is headquartered in Luxembourg City, the former seat of Arcelor. In June 2009, the company counted 6,378 workers in Luxembourg.

On December 19, 2008, representatives of Arcelor-Mittal, the trade unions OGBL and LCGB and the government reached an agreement in the framework of the "steel" tripartite. This agreement provides a plan for the future of the steel industry within the Arcelor-Mittal Group in 2011. The plan, called LUX 2011, provides a plan for industrial production sites in Luxembourg. Arcelor-Mittal commits to invest 75 million euros in Luxembourg sites by 2011. The steel plan LUX 2011 will also have social consequences. Overstaffing on Arcelor-Mittal units in Luxembourg is expected to amount to a figure between 570 and 660 people at the end of 2011, compared to late 2008.

The tripartite agreement provides for support measures for the management of this overstaffing. Planned accompanying measures include different mechanisms for early retirement and a redeployment cell (*cellule de reclassement* - CDR). The redeployment cell will collect workers whose job is made redundant for structural or non-structural reasons. Workers placed in the CDR can be occupied in a variety of maintenance jobs in the company, be lent out to other employers or undergo training measures. The workers placed in the CDR receive the guarantee that they will not be made redundant and receive their full salary. The Employment Fund takes over one part of the costs of the redeployment cell. The time savings account (*compte épargne temps*), which may be used in the case of economic difficulties, is increased to 40 days.

The agreement also includes support measures for the 400 administrative employees of the "corporate" and support functions for which Arcelor-Mittal Luxembourg announced a voluntary separation scheme in November 2008. A job retention plan has been devised that includes accompanying measures for voluntary departures. It includes among others a reemployment guarantee within 2 years in the case former employees are made redundant for economic reasons by their new employer, as well as the application of financial support to workers who are re-employed in less well-paid jobs (*Aide au reemploi*) <sup>1</sup>. The compensation payments range from six months' salary for those employees with less than five years seniority, up to 18 months' salary for those with over 25 years of seniority.

<sup>&</sup>lt;sup>1</sup> The Employment fund provides aid for reemployment of employees who have been, or are faced with the threat of being, dismissed for economic reasons, and who accept to be reclassified into a job with a lower salary than their previous salary. The financial support is intended to provide the recipients a level of pay corresponding to 90% of their previous pay during the first 24 months in their new employment and of 85% during the following 24 months of their employment.

It was further decided that the "steel" tripartite will meet annually to review progress on implementing the plan LUX 2011 and the accompanying measures.

Trade unions considered this agreement in a joint press declaration from December 22, 2008 as guaranteeing the "model of the Luxembourgish steel industry in its entirety". The model is usually seen as combining flexible adaptation of production structures and a high level of protection for workers.





