

Duisburg, March 25, 2010

Duisburg Appeal

ThyssenKrupp Steel Europe's General Works Council is taking action!

We address this Duisburg Appeal to Federal Chancellor Dr. Angela Merkel and the President of the European Commission José Manuel Barroso asking them to support the preservation of industrial jobs.

We address the Duisburg Appeal to politicians at the German steel sites, to all representatives of social institutions and the public to show their solidarity with employees.

We call for a European Day of Action in Duisburg.

The general works council of ThyssenKrupp Steel Europe demands:

1. An end to raw material speculation
2. Fair rules of competition and consistent action against raw material cartels
3. Safeguards for the future of Europe as an industrial location and preservation of our jobs

We call upon politicians to take resolute and rapid action now!



Wilhelm Segerath

Chairman of the General Works Council of ThyssenKrupp Steel Europe

Duisburg Appeal: The Facts

Exaggerated price announcements by raw material suppliers jeopardize economic recovery

The announced price increases for iron ore ranging from 80 to 130 percent will prevent the steel industry from recovering from the impact of the global financial crisis and put jobs at risk. Even a 10 percent price increase for raw materials such as coking coal and iron ore would entail additional costs of more than half a billion euros per year which would have to be borne by the steel companies in the Federal Republic. This financial burden will be multiplied if the iron ore suppliers enforce their completely exaggerated prices as announced. All customers along the value chain will have to pay for the exorbitant profits realized by the raw material suppliers. This has nothing to do with fair competition and will jeopardize the existence of industrial companies which would otherwise be fit for the future, in Duisburg, North Rhine-Westphalia and throughout Germany and Europe. If this trend prevents technology leaders and economically sound companies from running their businesses economically, the future of our company and of our jobs is put at risk.

Steel producers will have to pass on the dramatic price increases for raw materials to their customers. This price development will impact a still fragile economic environment. The economic upturn is at serious risk. If necessary capital investments are stopped for this reason, the European industry runs the risk of losing its technology leadership in the global market. This must be prevented too, as it would have disastrous implications for the economy and society.

Unilateral price control will jeopardize the stability of the markets and render fair competition impossible

At present, 70 percent of the worldwide ore market is controlled by a cartel composed of three monopolistic ore producers. The degree of concentration will be increased further by the intended merger of the groups BHP and Rio Tinto. This is where the antitrust authorities in Brussels come in. So far, contractual relations between raw material suppliers and customers have safeguarded capital investments and ensured a high degree of planning reliability for all parties involved. Thanks to annual price agreements and direct negotiations between suppliers and steel companies, extreme price fluctuations due to short-term market conditions were avoided. Now we are facing prices guided by the spot market and leading to instability.

There is another danger: The iron ore market will become a target for financial speculators. The financial market crisis showed the dramatic consequences that can arise when market speculation is com-

pletely detached from real economic processes. It is high time for political leaders to take action to regulate financial markets. The message must be clear: Stop speculation in the raw material markets! Safeguard real production and the future of tens of thousands of jobs!

Thousands of jobs are at stake

The crash of the markets caused by the global economic crisis shook industry as a whole to its foundations. In the European steel industry alone, 50,000 jobs were destroyed by the crisis. By using instruments like short-time work, works councils, employers, trade unions and the government in Germany have managed to safeguard the majority of jobs in the steel industry. The potential offered by cost cutting programs and job cuts is completely exhausted, especially after the recent restructuring in the steel industry. The announced extreme increase in prices for the basic material steel acutely endangers more than one third of industry revenues, either directly or indirectly, and thus one in three industrial jobs in Europe.

Employee representatives will fight for the future and jobs

The representatives of the German and European steel workers call upon the government to take resolute action. We are not going to accept oligopolies endangering the fragile economic recovery by dictating exorbitant prices.

This would be at the expense of investments in the future at our production sites, and at the expense of employees and their families. In the past 50 years, steel workers have proven over and over again that they are ready to fight for their rights and for justice. The employees intend to defend themselves against the arbitrary conduct of these suppliers.

No government – neither in Germany, nor in Europe – can accept this development which will lead to the destruction of thousands of jobs. We European employees will form an alliance. We will take a stand against arbitrariness and for stability.

We call upon the government to take action which will provide sustainable concepts to create industrial value and combat gambling and dubious speculation! Now is the time to learn a lesson from the crisis and regulate the markets where they most need it.

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I hereby endorse the demands of the Duisburg Appeal.

Name

Function