

(English version)

**Question for written answer E-001363/24
to the Commission
Tomáš Zdechovský (PPE)
(16 July 2024)**

Subject: EU steel industry layoffs

The steel industry in Czechia is experiencing serious issues, as the Commission has already been informed, including the possibility of thousands of employees being laid off in a region that depends heavily on steel production.

In 2019, the Commission determined that Liberty House was a suitable buyer for ArcelorMittal Ostrava a.s. This decision was made after an assessment with regard to fair competition ⁽¹⁾, despite numerous warnings from labour unions and members of Czechia's Chamber of Deputies about the potential consequences of the acquisition, especially on employment ⁽²⁾.

After five years, the acquisition caused the company to file for bankruptcy as a result of ongoing disputes between the management and the energy supplier Tameh Czech. As a result of both companies' inability to reach a suitable agreement, the majority of employees have remained at home since the acquisition. In February 2024, creditors approved a restructuring plan, but it was unsuccessful, and the company filed for bankruptcy in June 2024.

1. Did the Commission take into account the potential negative impact on employment when assessing the situation?
2. What conditions did the Commission place on Liberty House in exchange for its decision?
3. Is the Commission monitoring the situation in Liberty Ostrava a.s. and will it take action, such as imposing fines, to remedy the situation?

Submitted: 16.7.2024

**Answer given by Executive Vice-President Vestager on behalf of the European Commission
(27 August 2024)**

ArcelorMittal decided to sell the Ostrava plant, which the Commission approved subject to conditions. These included that the purchaser had to have an option to obtain ArcelorMittal's stake in the energy supplier of the said plant, i.e. TAMEH and that ArcelorMittal would transfer the energy supply agreement to the purchaser.

ArcelorMittal selected Liberty House Group as a purchaser and transferred the energy supply agreement with TAMEH to it. At the time it was not possible to foresee the issues that would arise, including negative repercussions on employment.

The financial troubles of Liberty House Group's main lender Greensill Capital materialised in 2021, about two years after the Commission's approval decision ⁽¹⁾.

The Commission is aware of Liberty House Group's financial situation and continues to monitor it. Moreover, the Commission approved the appointment of a trustee to monitor ArcelorMittal's compliance specifically with the commitments attached to the Commission's approval decision.

The Commission continues to monitor the situation with a view to verifying that the parties comply with their respective binding obligations set out in the Commission's decision concerning the approval of ArcelorMittal's acquisition of Ilva and the approval of Liberty House Group as suitable purchaser of the divestment business.

The failure to comply with a condition or an obligation imposed by a decision approving a merger subject to commitments may result in the imposition of fines.

¹ <https://www.e15.cz/byznys/prumysl-a-energetika/liberty-house-je-vhodny-kupec-ostravske-huti-rozhodla-evropska-komise-1358145>

² <https://www.ceskenoviny.cz/zpravy/2462726>

⁽¹⁾ The Commission's assessment of the Liberty House Group as a purchaser is available in the Commission's public case register: <https://competition-cases.ec.europa.eu/cases/M.8444>