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President: Berthold Huber General Secretary: Jyrki Raina

Mr Karim Massimov Prime Minister of the Republic of Kazakhstan Via email: <u>kmassimov@mail.ru</u>, <u>admin@pm.kz</u>

29 June 2012

## Subject: Situation at ArcelorMittal Temirtau in Kazakhstan

Dear Mr Prime Minister,

I am writing to you on behalf of 50 million workers in 140 countries represented by the IndustriALL Global Union to express my concern with the situation at ArcelorMittal Temirtau in Kazakhstan.

To my knowledge, industrial dispute at ArcelorMittal Temirtau began eight months ago, in October 2011. The employer staunchly refuses to implement wage raises. The administration's current proposal is to introduce a 2.6 per cent premium linked to the production goals on top of the inflation adjustment of 7.4 per cent, while the unions insist on a 30 per cent wage hike.

The unions report that wages constitute only 10 per cent of production costs at ArcelorMittal Temirtau.

Moreover, production at ArcelorMittal increased by 7.7 per cent in 2011. This means that the workers are not only underpaid, but their productivity rises without complementary increase in wages.

Therefore, the workers' and unions' demands are economically sound and well-justified. However, not a single concession was made by the employer. The unions followed all the legal procedures of an industrial dispute: negotiations and conciliation. They held a mass rally on May 19 to support their demands.

Currently, the only way to proceed for the unions is to hold a strike. They report that they will go on a warning strike for three hours on 29 June. The strike enjoys overwhelming support of ArcelorMittal Temirtau workers, with more that 10,500 signatures for the strike.

The unions at ArcelorMittal Temirtau pursue the workers' interests in a legal manner, according to all the established procedures. However, all their efforts haven't brought any results.

The situation when the well-justified workers' demands are ignored by the administration may result in the increase in social tension in the whole region.

I urge you, Mr Prime Minister, to ensure that the authorities will play an intermediary role in the social dialogue between the unions and the employer.

Yours faithfully,

Jyrki Raina

General Secretary of the IndustriALL Global Union