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President: Berthold Huber General Secretary: Jyrki Raina

Geneva, 14 December 2015

Mr. Mikheil Botsvadze

General Director of **JSC Energo-Pro Georgia** Via e-mail: <u>mikheil.botsvadze@energo-pro.ge</u>

CC: Mr. Kakha Kaladze

Minister of Energy of Georgia Via e-mail: <u>mail@energy.gov.ge</u>

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Chair of the Georgian National Energy and Water Supply Regulatory Commission Via e-mail: publicinfo@gnerc.org

IndustriALL Global Union calls for renewal of negotiations over wages at JSC Energo-Pro Georgia

Dear Mr. Botsvadze,

I am writing this letter to you in my capacity of General Secretary of IndustriALL Global Union, which represents more than fifty million workers in the mining, energy and manufacturing industries in some 140 countries worldwide, including Georgia, to express our concern about the situation at JSC Energo-Pro Georgia.

According to the reports received from the Georgian Trade Union of Energy Workers, an affiliate of IndustriALL Global Union, the employees of JSC Energo-Pro Georgia are not duly paid for their work: there is no compensation for overtime work; the employees are forced to perform additional tasks without remuneration due to the increased volume of work and reduced headcount. Moreover, the salary of an electrician and an engineer at the company is equal to US\$ 230 and US\$ 150 respectively, which is lower than in other companies in the energy sector for similar jobs. These factors add to insecurity and uncertainty of employees, leading to protest actions.

We know that the Georgian Trade Union of Energy Workers did their best to launch a social dialogue process with JSC Energo-Pro Georgia management, and the Georgian National Energy and Water Supply Regulatory Commission (CNERC) in order to negotiate a 30 per cent salary increase. On 23 July 2015, JSC Energo-Pro Georgia expressed its readiness to resolve the problem through negotiations on re-considering the tariffs, if the CNERC could provide for an increase in the salary fund by a minimum of 15-17 million GEL, within the scope of the operational costs. However, it was not implemented since this was not envisaged by the tariff methodology.

As a result, the workers and the trade union responded with a warning protest action on 1st October 2015 and requested a reasonable decision to ensure social stability; however, the company took no further action.

Therefore, IndustriALL Global Union urges your management to start result-oriented negotiations with the Georgian Trade Union of Energy Workers to address their legitimate demands for fair and adequate salaries and benefits.

Yours sincerely,

Jyrki Raina General Secretary