

To the attention of

Mr. Frans Timmermans

European Commission Executive Vice-President for the European Green Deal

In cc. to

Ms. Kadri Simson, Commissioner for Energy

Mr. Thierry Breton, Commissioner for Internal Market

Mr. Nicolas Schmit, Commissioner for Jobs and Social Rights

Copy to industriAll European Trade Union Federation

Re: Impact of General Electric's restructuring plans on the EU energy policy

Dear Executive Vice-President Timmermans,

At the time of writing, General Electric [GE] is carrying out its fourth massive restructuring wave in Europe, including further job cuts, downsizing and relocation of activities outside Europe. Under the umbrella of [industriAll Europe](#), GE workers and their trade unions shared their concerns with you in a letter addressed end of last year. As your services replied that the Commission's role is limited in specific company cases, we would like to kindly recall that not only is the future of GE jobs and sites in Europe at stake, but also the future of the entire EU energy sector, hence EU energy independence.

Over the last five years, General Electric slashed more than 10,000 jobs across Europe, shut down entire plants and reduced its European footprint by relocating and focusing both production and engineering capacities to "low cost countries" outside Europe. At a time when our societies are undergoing the largest and fastest green transition ever, such a badly thought-out strategy from one of the leading energy equipment manufacturers is shocking.

With the Green Deal, the EU has set itself the objective of *becoming the first climate-neutral continent by 2050*, a project that it considers to be *Europe's growth strategy, creating new businesses, more jobs and triggering more investment*. To reach its long-term objective, it also proposed an updated climate target objective for 2030 by decreasing greenhouse gas emissions by at least 55%, to be followed by the "Fit to 55% package," updating a series of legislative proposals by June 2021, including an increased target for renewable energies. At the same time, the EU has made clean hydrogen and offshore wind priority projects that will be instrumental in achieving climate-neutrality. According to the EU, *the transition can only succeed if it is conducted in a fair and inclusive way*. In highlighting this European ambition, we note that GE's strategy is in fundamental contradiction with it. On behalf of the trade union organisations representing GE workers across

Europe, IndustriAll Europe would like to draw your attention to the detrimental consequences that GE's current strategy could have on EU energy policies, including on implementing the EU Green Deal.

GE has been in a constant process of restructuring its energy businesses since 2015. While the successive restructuring plans were supposed to put GE's energy activities back on track, they actually led to further destruction of GE know-how and industrial capacity, hence of GE's ability to serve the energy market. During massive European Action Days in 2016 and 2018 and numerous local demonstrations since then, GE workers warned loudly and clearly that GE's purely financial strategy, driven by quarterly results-based decisions solely aimed at generating cash, was steering the company towards disaster. The latest announcements provide additional evidence of the destructive nature of GE's management: +1,300 job cuts are planned in GE's "Renewable energy" branch, exiting a newly-built coal power plant is envisaged, as is further downsizing of Gas-related activities (another 300 planned job cuts). In short, GE is cutting costs and scrapping strategic capacities in market segments which are instrumental to support the green transition (e.g. for adapting grids to new energies, but also for maintaining and renovating existing power plants). Moreover, the lack of forward-looking strategy translates very directly in the fact that GE does not plan any investment in future growth markets (e.g. hydrogen). The company's apparent unwillingness to adapt its business strategy to the Green Deal is a clear sign of the management's lack of understanding or ignorance of recent developments. Furthermore, the fact that not all EU funding programmes and regulations for support of projects related to the Green Deal are fully available, yet, fuels the GE management's argumentation. As a consequence, GE workers targeted by the current restructuring plans are deprived of proper retraining or internal mobility options which could lead to new job opportunities since those are missing due to the lack of basic long-term strategic planning at GE.

At a time when the EU is committed to an ambitious Green Deal, it is a catastrophic sign that one of the major players in the energy equipment sector continues to reduce its European footprint and lacks any kind of strategic vision for the coming years. The level of concern is skyrocketing amongst GE workers who are confronted with the fourth massive restructuring wave at GE in five years, with no guarantee that it will be the last one or that GE will honour any of the commitments it may enter into. Indeed, GE workers learnt from experience that GE is not trustworthy after it blatantly breached its pledge to create 1,000 jobs in France following the Alstom Power takeover (these jobs never materialised), or its promise to invest in the Oberentfelden plant in Switzerland (which is now facing the exact opposite situation with the newly-planned +550 jobs cut). Obviously, uncertainties and fears are further amplified as Europe is hard-hit by the massive rebound of the Covid-19 pandemic.

GE is a key player in equipping Europe's energy production and must remain strong, should Europe indeed transit to a green society. We regrettably witness the opposite. As GE dismantles its European industrial base, it jeopardises our EU energy independence and sovereignty. This is not what we want for the future of Europe. This is not what we call a "just transition for all". We are confident that there is an alternative way. We therefore call on the European Commission to share those concerns with GE top executives at the earliest possible convenience and request them to provide clarity over GE energy strategy in Europe and how it will contribute to achieving EU Green deal's targets. Trade union and worker representatives at GE remain at your disposal, under the umbrella of their European trade union federation, industriAll Europe, for further explanations.

We ask the European Commission to inform us as soon as possible on the measures it intends to adopt on that file.

Yours sincerely,

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