



A passage to India

What plans does Tata Steel have for Corus plants? That's what a delegation of European steelworkers, led by Michael Leahy, travelled east to find out.

Tata Steel of India has now taken over Corus, the British and Dutch steel company that so many Community members work for. But what plans does Tata have for Corus?

Tata has huge steel slab-making facilities of its own, so what will be the future for UK plants like those in Middlesbrough and Port Talbot in South Wales? What investment plans does Tata have? And how does the company treat its unions?

To find out, Tata agreed to meet a delegation of workers from the Corus European Works Council on which Corus workers from all over Europe are represented. The delegation, led by Community General Secretary Michael Leahy - himself a former steelworker - travelled to India to meet Tata management.

'We met with some of the senior management team led by chief executive Mr Muthuraman and expressed our concerns to them,' Michael Leahy said. 'We homed in on the future of the Corus pension scheme and on the Tata investment plan.'

The delegation toured Tata's main steel plant in India, at Jamshedpur and spoke to union leaders there. Tata has a reputation in India of being one of the country's most progressive companies. In 1912 Tata introduced an eight-hour working day for its employees - and this at a time when a 12-hour working day was still normal Britain.

Then, in 1920, Tata introduced annual leave with pay and a provident fund for workers - two practices that didn't become legally binding for employers in India until 25 years later.

'We had a good discussion with our Indian trade union colleagues,' Michael Leahy said, 'but we felt we wanted more in-depth talks so we have invited them to the next meeting of the Corus European Works Council.'

But as the days passed it became clear to the delegation that the one man they needed to discuss investment plans with was the chairman, Mr Ratan Tata. 'We need to know details of Tata's investment plan for the UK and Holland, and we want to understand the framework for regular consultation and information meetings with the company,' said Michael.

A meeting with Ratan Tata, who wasn't present during the delegation's mission, is now being arranged.

There can be no doubt that Tata Steel has grown dramatically over the past few years, not only in India but abroad. During the last three years it has taken over Singapore's NatSteel, Thailand's Millenium Steel, and two steel plants in Vietnam. The company has plants in China, Bangladesh and Iran - and now, Corus, Tata's great leap into Europe.

Tata's objective is to produce 100 million tonnes of steel a year by 2015.

In the year 2000 Tata was recognised as the world's lowest-cost steel producer and in 2005 it was named the world's best steel producer by World Steel Dynamics.

Tata paid £6.7 billion for Corus and Ratan Tata has said that he would have paid even more. 'It's a milestone for us,' he said. He believes world steel demand will continue to rise, a view backed this month by the International Iron and Steel Institute which is revising upward its predictions for 2007.

For India, the takeover has huge implications. The Indian economy is likely to overtake that of the UK in 10 years, Germany's in 12 years and Japan's in 18 years. By 2042, says Goldman Sachs, India will have the second largest economy in the world - being topped only by China.

Tata is India's largest private sector group with 96 companies. It says it distinguishes itself from other businesses by laying strong emphasis on employee welfare and social progress. It is this distinction that Community is anxious to test.

The Corus union delegation at Heathrow before their flight to India