



EUROPEAN COMMISSION
Employment, Social Affairs and Inclusion DG

Employment and Social Governance
Social dialogue

**SECTORAL SOCIAL DIALOGUE COMMITTEES FOR "TEXTILE AND CLOTHING",
"TANNING AND LEATHER" AND "FOOTWEAR"**

**9 July 2020
Joint working group meeting
MINUTES**

Chair : Commission

1. Adoption of the draft agenda

The agenda was adopted.

2. The EU Recovery Plan and the future of the TCLF sectors

Ms KUSKE (DG GROW) presented the background and the needs for the Recovery plan, which depend on the situation of the different EU industrial Ecosystems. She also introduced the overall architecture of the financial instruments, based on three pillars. Asked by the social partners, Ms KUSKE announced that DG GROW is evaluating the impact of the crisis on the textile ecosystem, which covers the three TCLF sectors. Modules for national authorities are being prepared, in preparation for the national Recovery and Resilience Plans. Social partners were invited to continue giving input on sectoral issues, such as skills.

Following Ms HATHAWAY's (IndustriAll) question, Ms KUSKE informed the participants that DG GROW is assessing the impact of the crisis on jobs through cooperation with DG EMPL in the field of skills; the aspect of due diligence is addressed by cooperating with DGs JUST and DEVCO.

For EURATEX, Mr VANTYGHEM pointed at the timing of the schemes, which have a short-term angle. This creates the risk for discrepancies between the funds decided upon and their impact on companies. He also mentioned that SMEs were in the past often unsuccessful in obtaining loans from the European Investment Bank, whose involvement is foreseen in the schemes. Finally, he pointed at the complexity of the recovery plan's governance.

For COTANCE, Mr GONZALEZ-QUIJANO confirmed the importance of timing. Also, he enquired whether fact sheets could be developed on the availability of funds for SMEs.

Mr KREUZER welcomed the recovery instruments as a strategic way to get out of the pandemic. He also enquired how social partners would be involved in the next steps, namely based on their expertise in activities at local level. In this respect, he enquired whether the creation of a high-level group of experts could be envisaged.

3. COVID-19 and the impact from the perspectives of the TCLF industries

The four social partners presented the situation and the market outlook for their respective members (presentations attached).

- For the footwear sector, Ms ARIAS started by pointing at the high impact of COVID-19 on the complete fashion sector, which is – after the tourism sector – the most affected. Preparation for an economic recession is necessary.

Investment in skills are instrumental; in this respect, the involvement of the social partners in the blueprint project is important.

- For COTANCE, Mr GONZALEZ-QUIJANO pointed at the sector's dependence on raw materials. Meat production did not go down during the crisis, which created an oversupply of skins, also because many tanneries were closed due to the lockdown. As a consequence, prices have dropped and a high quantity of skins will end up as waste if they are not recycled. Other risks include: unemployment, potential protectionism, late payments, and reduced promotion of leather products due to travel restrictions.
- For EURATEX, Mr VANTYGHM introduced the sector, and pointed at the expected impact of COVID-19 on its turnover (-50 billion €). The most applied strategic measure taken has been the reduction of working time. He also proposed short and long-term strategies to overcome the crisis, the impact of which he expects to rise. The main claim is that the EU should reduce the regulatory burden on companies, and recognise the strategic importance of the sector. On EURATEX' website, some operational flagships are described, such as recycling hubs. The implementation of the Green Deal will be of major importance.
- For IndustriAll, Ms HATHAWAY pointed at the importance of social protection, social safety nets, OSH, and social partner agreements to restart activities. Also the change in production – towards an essential activity such as PPE production was an essential factor in the crisis. She then presented IndustriAll's actions in the context of COVID-19.

4. Discussion on joint actions

The four social partners introduced their joint statement on COVID-19. There was general agreement that this would be the beginning of a journey that would require regular follow-up. Mr VANTYGHM claimed that the level of understanding of the effects of the crisis at national level is still low. On the other hand, Ms ARIAS stated that there is already a fair amount of cooperation between actors at national level. Mr KREUZER pointed at the importance of governance at national level, and the potential of social actors' involvement as experts. Mr GONZALEZ-QUIJANO enquired whether the creation of a TCLF social partners' expert group could be envisaged.

The joint statement was adopted, and will be published on the EU text database.

5. AOB

Mr BEOTHY-FEHER thanked IndustriAll Europe and IndustriAll Global for their support in the salary payment dispute in the Hungarian ARG company.

Annexes :

- List of participants
- Presentation : The EU budget – Powering the Recovery Plan for Europe (DG GROW)
- Presentation : The impact of COVID-19 on the footwear industry (CEC)
- Presentation : Impact of COVID-19 and EURATEX response
- Presentation : COVID-19 and the TCLF sectors (IndustriAll)

Annex : List of participants

<u>Employers</u>	<u>Workers</u>
<p>CEC Ms Carmen ARIAS (EU) Ms Andreea-Nicoleta STEFAN (EU) Mr Paul LASSERRE (EU) Ms Miriam ARRECHEA (ES) Mr Marek GORECKI (PL) Mr Radim KOCOUREK (CZ) Ms Livia KOKASNE (HU) Mr Robert PERKINS (UK) Ms Joana VAZ TEIXEIRA (PT)</p> <p>COTANCE Mr Gustavo GONZALEZ-QUIJANO (EU) Ms Chiara MANTOVANO (EU) Mr Luca BOLTRI (IT) Mr Gheorge BOSTACA (RO) Ms Maurizia CONTU (IT) Ms Anna GARCIA (ES) Mr Andreas KINDERMANN (AT) Ms Brigitte MERCIER (FR) Mr Andreas MEYER (DE) Ms Silvia PEDRANA (IT) Mr Goncalo SANTOS (PT) Mr Kerry SENIOR (UK)</p> <p>EURATEX Mr Dirk VANTYGHM (EU) Mr Gülcin AKTURAN (TR) Mr Busra BAYRAKTAR (TR) Ms Pascale FLORANT (FR) Mr Zeynep SANIGOK (TR) Mr Ahmet SISMAN (TR)</p> <p>27 employers representatives (11 women, 16 men) (6 EU, 17 MS, 4 CC)</p>	<p>IndustriAll Ms Judith KIRTON-DARLING (EU) Ms Elspeth HATHAWAY (EU) Ms Patrizia PITRONACI (EU) Mr Szabolcs BEOTHY-FEHER (HU) Mr Ivano DALLA BREA (IT) Ms Ana FILIPE (PT) Mr Gerald KREUZER (AT) Ms Nina LAINE (FI) Mr Paul McKENNA (UK) Mr Letterio OCEANO (IT) Mr Raffaele SALVATONI (IT) Ms Alessandra TOLENTINO (IT)</p> <p>12 workers representatives (6 women, 6 men) (3 EU, 9 MS)</p>
<u>Other participants</u> N/A	
<u>European Commission</u> Ms Katarzyna KUSKE (DG GROW) Mr Danny SCHEERLINCK (EMPL.A.2)	