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SIGNING OF LABOUR FRAMEWORK AGREEMENT BETWEEN THE GOVERNMENT, UNIONS, UPM AND BUSINESS CHAMBERS

As part of the preparations before UPM's potential new investment in Uruguay, a Labour framework agreement was signed at Uruguay's Presidency Office. This agreement sets a roadmap for detailed actions and definitions necessary for the construction and erection stage, supporting the investment decision for a third pulp mill in the country.

Among the agreed common goals are: to create conditions for plant's commissioning and start up within the planned schedule, to promote occupational health and safety, and contributing to the training and strength of skilled Uruguayan labour, once the investment decision is made.

The reasons for signing this agreement are the scale of the pulp industry, the high demand for operating standards and technology, in addition to the region of the eventual location of the pulp mill on the Río Negro.

The contents of the agreement are the result of a year's process of information exchange regarding national and international experiences and needs of all stakeholders.

Present at the signing of the agreement were Ernesto Murro on behalf of the Ministry of Labour and Social Security (MTSS), Alvaro García on behalf of the Planning and Budgeting Office (OPP), Marcelo Abdala, Oscar Andrade, Julio Burgueño and Fernando Pereira on behalf of the Inter-Union Plenary of Workers-National Workers' Convention (PIT-CNT), Ignacio Otegui on behalf of the Uruguayan Chamber of Construction (CCU), Andrés Castiglioni and Flavio Pérez on behalf of the Uruguayan Chamber of Metallurgy (CMU) and Gonzalo Giambruno and Javier Solari on behalf of UPM.

The text is reflecting the commitment and involvement of the parties. Once the investment agreement is signed, three working groups will be established on the following areas: occupational health and safety, general services and training and labour.

These groups will draft protocols applicable to the entire construction and erection process. These are in line with the guiding principles defined to enable effective planning and responsibilities for all parties.

For the Minister of Labour and Social Security, Ernesto Murro, this agreement "is a key milestone in the country. On the one hand, a prior collective bargaining between the government, the company, the business chambers and the PIT-CNT was taken as a priority to facilitate the possible, largest investment in Uruguay's history".

And on the other hand, the agreement is the result of “the establishment of mechanisms for working conditions and occupational health and safety, training of workers, calls for workers through public registries, joint elaboration of action and prevention protocols, coordination with other agencies and multidimensional impacts in the region, a commitment to Decent Work and the fundamental principles and rights of workers and employers, including contractors and subcontractors, as well as to generate conditions to operate and produce in the planned timeline”.

For UPM this is an important step towards defining the general framework of labour relations for the construction of the pulp mill, while laying down the basis for future relationships, supporting an investment decision.

Current negotiations between the Uruguayan government and UPM are targeted at the drafting of an investment agreement that sets out the preconditions required for the industrial investment as well as infrastructure development works.