ThyssenKrupp to slash 3,000 jobs

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Last week, ThyssenKrupp CEO Heinrich Hiesinger announced the axing of a further 3,000 jobs worldwide. In February, Hiesinger had already declared plans to axe 2,000 jobs in ThyssenKrupp's steel sector and sell off parts of the company's operations, thereby threatening a further 1,800 jobs (see "ThyssenKrupp to cut 3,800 jobs in the steel sector").

The job cuts are part of a comprehensive programme aimed at saving ThyssenKrupp a total of €2 billion (US$2.5 billion) in operating costs by 2014. Some 4,600 jobs will be lost in total. Four hundred posts from the administrative divisions of ThyssenKrupp Steel were already included in the 2,000 job losses announced in February.

The company austerity programme will affect one fifth of the 15,000 jobs in ThyssenKrupp's administration; 1,600 will go in Germany alone. The job cuts in administration are aimed at saving €250 million, with the measures announced in February saving €500 million.

Two hundred of the 800 jobs at the company's administrative centre will be lost in a building erected in Essen just a few years ago. An additional 470 jobs are under threat in Essen. According to the *WAZ* newspaper, one third of the jobs in the subsidiaries ThyssenKrupp Business Services and ThyssenKrupp IT Services are to be cut, as well as 170 jobs in Corporate Services.

The company executive has argued that the massive job losses are necessary to compensate for losses suffered by its steel plants in Brazil and the US, as well as the dramatic decline in demand for steel due to the international economic crisis. Demand for steel has slumped in southern European countries heavily affected by the austerity measures dictated by the European Union.

The steel plants in Brazil and the United States, for which a buyer is being sought, were responsible for €683 million of the company's total losses of €822 million in the first half of fiscal year 2012/2013.

Like many other companies, ThyssenKrupp is using the economic crisis to undertake a frontal assault on jobs and working conditions. The management is supported by the IG Metall trade union and its works council. ThyssenKrupp acknowledged that the job cuts had been drawn up in close consultation with the works council.

Company works council head William Segerath described the negotiations between the works council and management on the staff reductions as "tough, but fair and constructive at all times." Both sides stressed that the reduction of 3,000 jobs should be "socially responsible" and undertaken without "compulsory redundancies".

In practice, this means that in individual interviews, employees are placed under pressure to sign termination agreements to sacrifice their jobs or be forced into early retirement with a correspondingly smaller pension. At the same time, the pressure on those retaining their jobs is to be increased accordingly.

According to the latest figures, ThyssenKrupp employed a total of 151,000 people in its core business areas in late March of this year, 3,300 less than last year. No end to the cuts and cost savings is in sight.

Germany's second largest steelmaker, Salzgitter, has also announced a drastic programme of job cuts, but without so far giving any details. The steel trading company Kloeckner & Co., based in Duisburg, has already begun to cut 1,600 jobs.

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