

# Further plant closures at Germany's Heidelberg Press

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Over the last ten years the workforce of Heidelberg Print Machines (HDM), Germany's biggest print machine manufacturer, has already been cut from 25,000 employees to about 12,500 worldwide. Now, company management has announced further mass layoffs and plant closures in order to achieve a high profit margin for shareholders.

This is to be achieved with the layoff of another 650 workers who work in the sphere of print processing machines (post-press), which will lead to annual savings of €30 million. The production plant for saddle stitchers and binders in Leipzig will be closed completely, affecting about 220 workers. Another 100 workers in Ludwigsburg and 130 in Wiesloch, which is close to Heidelberg, are to be laid off, and 200 jobs will be axed in the worldwide sales and service network.

"We still have sectors that do not generate cash, but just waste money," said the HDM's CEO Gerold Linzbach on July 24 in an interview with the *Mannheimer Morgen*. The same day, at the Annual General Meeting, held in front of 1750 shareholders, he stressed that "the profitability target of a EBITDA margin of 18 percent"—i.e., a profit of 18 percent after interest, taxes, depreciation and amortization. Linzbach also announced further short-time work for all employees.

In return, the shareholders celebrated him as a "savior" and expressed their "highest regards." Stock market analysts from the investment banks Equinet, Commerzbank and Warburg Research praised the company's prospects and raised the stock's target price.

HDM is abandoning the production of post-press machines. Instead, the company plans to work with a Chinese partner, Masterwork Machinery Ltd., based in Tianjin, China. A previous competitor in this area, the

Swiss Müller Martini company, will oversee the already installed machines from Leipzig. By the end of the year it will take over the worldwide service and spare parts business, as well as maintenance of the machines previously produced in Leipzig. The production of standard configuration printing presses is due to be increased at the HDM plant in Shanghai and only the more complicated models will be manufactured in Wiesloch.

The IG Metall trade union is playing a key role in enforcing the redundancies at HDM. After years of laying off workers through close collaboration with management, a well-established ritual exists among the company heads, union officials, and local politicians. It begins with crocodile tears and expressions of concern and ends with an agreement on the destruction of jobs.

And this is precisely what is happening now. Leipzig's Deputy Mayor Uwe Albrecht (CDU) bemoaned the "painful setback," while the city's former mayor Wolfgang Tiefensee (SPD) and his party colleague Daniela Kolbe declared the closure of the plant to be a "poor solution" and "not good business sense." The chairman of the workers council in Leipzig, Marco Kranz proclaimed: "We will not allow them to take away our workplace and to flog it to the competitors!" and asserted, "We can build cost-saving machines, if necessary even without the group!" Bernd Kruppa, the chairman of the IG Metall in Leipzig, added, "all this [is] not yet set in stone."

Who are they trying to fool? Union and workers council officials occupy six seats on the HDM supervisory board: Rainer Wagner, the chairman of the workers council; Mirko Geiger, the head representative of IG Metall in Heidelberg; Roman Zitzelsberger, District Manager of IG Metall Baden-Wuerttemberg in Stuttgart; workers council stewards Beate Schmitt and

Ralph Arns; and the speaker of the works committee, Christoph Woesler.

In addition to their high salaries, they collect supervisory board compensations of between €25,000 and €35,000 a year. They struck a deal with management on the cuts plan long ago.

Well-paid supporters of the capitalist system, these union and workers council officials have nothing in common with the workers they nominally represent. Instead of responding to the extreme exploitation of workers in Eastern Europe and China by calling for a common international fight, they pursue a policy of divide and rule, blackmailing workers in Germany to accept layoffs and wage cuts. Their unstated argument is that the defense of jobs is impossible under conditions of globalized production and worldwide competition.



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