

# Hundreds more jobs being cut at Vauxhall's Ellesmere Port plant in UK

Margot Miller  
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Vauxhall's largest UK car plant at Ellesmere Port, in the northwest of England, has announced a further 250 job losses amid fears that the entire operation could close within two years.

This is on top of 400 jobs lost in October through early retirement and voluntary redundancies—reducing the workforce from 1,900 to 1,150—and plans to reduce the plant to just one shift in April.

Last year, French car giant PSA—owner of Citroen and Peugeot—acquired both the Vauxhall brand and German parent company Opel from General Motors, in a deal worth £1.9 billion. The move, aimed at countering European giant VW, has unleashed a new wave of continental and worldwide job- and cost-cutting.

PSA is using the Macron government's new reactionary labour laws to target 2,200 jobs in France, while Opel, after thousands of “voluntary” redundancies organized by the IG Metall union, is threatening to slash 4,000 jobs in Germany. In the US, General Motors, Ford and Fiat Chrysler have pushed out thousands of older, higher-paid workers over the last two years, while expanding the use of lower-paid temporary workers.

Vauxhall is scheduled to continue production of the Astra at Vauxhall in Ellesmere Port until 2021 and the Vivaro van in its UK Luton plant until 2025. Thereafter the future of the Astra is uncertain. Production could be moved to Germany, France or Poland, as governments, backed by the trade union bureaucracy in their respective countries, engage in a bidding war to drive down wages and conditions and pony up tax cuts and other incentives.

Asked whether a British brand like Vauxhall—established in the UK in the 1960s—should produce cars in the UK, the firm's manager, Stephen Norman, said, “The link where a vehicle is actually made and the nationality of the brand, is not as obvious as it was... there are many exceptions.”

Autoexpress, a website covering the car industry, claims

the maximum annual pay of assembly line workers ranges from £41,000 (US \$57,055) in the US, £39,800 (US \$54,272) in the UK, £16,500 (US \$22,961) in the Czech Republic, £10,300 (US \$14,333) in Brazil, £8,729 (US \$12,147) in China, £5,000 (US \$6,957) in Mexico, to £1,830 (US \$2,546) in India.

While these figures should be read with caution, as they include, in many cases, health care, overtime and bonus payments, and other benefits, they do show the disparities that the global auto companies seek to exploit as they drive to equalize wage rates by slashing the living standards of workers in the most advanced capitalist countries.

Autoexpress poses the question, “Why [should manufacturers] pay car factory workers \$20 or \$30 per hour, when in certain parts of the world the rate is nearer \$2 or \$3?... It's no coincidence that the UK's cheapest car (the Dacia Sandero) is built by some of Europe's cheapest workers, in Romania.”

The commentator failed to mention, however, that Romanian Ford workers launched a wildcat strike in December, in opposition to their company-controlled union, precisely to fight poverty wages and sweatshop conditions.

Following the Vauxhall announcement, Conservative Business Secretary Greg Clarke met up with PSA CEO Carlos Tavares to press the case for continued production in the UK. Labour Member of Parliament for Ellesmere Port, Justin Madders, appealed to PSA to give the plant financial support and for the government to invest in car component supply chains in the UK. This would be predicated on undercutting component factories abroad.

In axing the 400 jobs last October, Vauxhall warned, “Current manufacturing costs at Ellesmere Port are significantly higher than those of the benchmark plants of the PSA Group in France. The teams are conscious of the need to accelerate the recovery of plant productivity in

order to meet the challenges ahead...”

Integral to the “teams” are the Unite union bureaucracy, which agreed to the move towards single shift operation and the 400 redundancies—on a “voluntary” basis. In response to the latest 250 redundancies, Unite leader Len McCluskey politely urged the company to do all it could to retain its “efficient” base at Ellesmere Port. “This is an additional blow to a world class workforce that is one of the most efficient in the industry. PSA must provide investment guarantees on new models for Ellesmere Port.”

In April, workers face further speed ups with production moving from two shifts to one at Ellesmere Port to cut labour costs and “accelerate the recovery of plant productivity.” The nationalist and pro-capitalist trade unions, as they have demonstrated for decades, will mount no opposition to speed-up and the attacks on jobs.

The job cutting is being accelerated as signs appear of a potential global sales slowdown, particularly in North America and Europe. Car sales fell 6.4 percent in the UK last year, with *Fortune* magazine predicting a glut of new and used cars in the US. China accounted for 76 percent volume growth in car sales last year and is now the largest platform for the manufacture of cars in the world, rolling out 24 million compared with 7.9 million in Japan, Germany (5.7 million) the US (3.9 million) and the UK (1.7 million).

Last year, UK sales of Vauxhall cars fell by 22 percent compared to 2016—down to 195,137 vehicles—bringing the brand market share down to 7.7 percent, as competition has intensified between brands and premium vehicles become more saleable through pay-monthly deals.

The Ellesmere Port factory produces around 680 Astras every day and exports 80 percent of its vehicles to the continent, while importing 75 percent of component parts. These include engines from Hungary and gearboxes from Austria, Germany and Korea. Like most assembly plants today it operates on low profit margins and the just-in-time production model, so parts arrive from abroad just hours before assembly.

Brexit is set to exacerbate the crisis within the UK auto industry. While UK car production rose to 1.7 million units in 2016, the highest since March 2000, investment fell from £2.5 billion to £1.66 billion. The fall in the value of the pound since Brexit has driven up the price of components from Vauxhall's supply chains.

Some components cross the Channel three, four or five times during production. Lack of access to the European Union's single market and customs union, and the

imposition of costly tariffs, would severely disrupt this.

A hard Brexit, with the UK falling back on World Trade Organisation rules, could mean increased production costs of £2,370 per vehicle, according to research by the PA consulting group. Even an agreed UK/EU 5 percent tariff on imported and exported cars, and 2.5 percent on components would add an extra cost of £1,202.

Vauxhall workers are in struggle against globally organized automotive giants and the banks, and they can only defend their jobs based on an internationalist strategy.

Workers in the UK and Europe must follow the lead of car workers in Romania, who rebelled against the Ford Craiova Automobile union, which signed a sell-out deal with Ford Romania. This is part of growing opposition by the working class to the endless union-backed attacks across the auto industry globally. In 2017, Fiat workers in Serbia and VW workers in Slovakia struck against slave labour wages and conditions. Autoworkers in China and India have taken strike action over the last few years, and in 2015, autoworkers in the US rebelled against sell-out agreements reached by the United Auto Workers union.

The *World Socialist Web Site Autoworker Newsletter* appeals to workers to establish rank-and-file committees, independent of the trade unions. A successful fight to defend jobs and living standards requires new organizations to link the struggles of the working class worldwide in a fight against the global auto corporations.



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