

Auto manufacturers in UK cut production, threaten jobs as Brexit crisis deepens

Margot Miller
27 September 2018

Jaguar Land Rover (JLR) is to move around 1,000 workers at its Castle Bromwich plant in Birmingham—almost half—onto a three-day week from October until Christmas due to uncertainties over Brexit.

JLR, which is owned by India Tata and employs 40,000 workers in the UK, is considered the principal force behind what is described as a “resurgent” British auto industry. In 2016, car production in the UK was at its highest this century and JLR its biggest manufacturer, turning out one-third of the 1.7 million vehicles produced in total.

JLR’s decision speaks to the acute concerns of the majority faction of the UK bourgeoisie, which is opposed to a hard Brexit and loss of access to the European Union (EU) Single Market and Custom’s Union in a situation of burgeoning international trade war.

The UK car industry faces massive disruption if the government fails to agree unfettered access to the EU. Over half of UK car exports are destined for the EU and two-thirds of car imports come from the EU.

Speaking recently at the Conservative government’s electric vehicle summit in Birmingham, JLR boss Ralph Speth warned Prime Minister Theresa May that tens of thousands of jobs are under threat and that a “no deal” Brexit undermines the interests of the auto industry.

“Like many British companies our supply chains reach deep into Europe,” he said, adding, “[W]e will not be able to build cars, if the motorway to and from Dover becomes a car park, where the vehicle carrying parts—vital to our processes—is stationary”.

Speth said that unfettered access to the European Union’s single market “is as important a part to our business, as wheels are to our cars.” Without access, he threatened that JLR would reconsider its proposed £80 billion investment and pull out of the UK. He warned that other companies would also take measures “that cannot be reversed”.

Before the summit, JLR had already announced that the Land Rover Discovery sport utility vehicle would be totally produced at its new plant in Slovakia, rather than in both the UK and Slovakia as previously planned.

Speth has warned elsewhere about the impact of a hard Brexit in apocalyptic tones. The 1,000 JLR jobs already lost due to falling sales of diesel vehicles in the UK, he has previously said, “will be counted in the tens of thousands if we do not get the right Brexit deal”.

Production could be halted entirely on March 30, 2019. “Brexit is due to happen on the 29th of March next year. Currently, I do not even know, if any of our manufacturing facilities in the UK will be able to function on the 30th”, said Speth.

On behalf of the pro-Brexit faction, Conservative MP Bernard Jenkins accused Speth of hyperbole, saying he was “scaremongering” and “making it up.”

However, JLR’s moves are not simply propaganda. They are borne of major concerns that Brexit will decimate the car industry, with untold consequences for the profitability or even continued existence for many firms that rely on unfettered access to the single market.

German carmaker BMW, which employs 8,000 workers at four plants in the UK, is also taking aggressive action. It announced just days after JLR’s decision, “As a responsible organisation, we have scheduled next year’s annual maintenance period at Mini Plant Oxford to start on April 1, when the UK exits the EU, to minimise the risk of any possible short-term parts-supply disruption in the event of a no-deal Brexit”.

BMW previously warned that it would not be able to function without the free movement of car components from the continent. With the globalisation and international integration of production, components may cross national borders several times before final assembly.

Honda UK Manufacturing, which employs 8,000, has also said that the import of components could be delayed

for up to nine days if the UK leaves the customs union, while Aston Martin fears the delays could stop its assembly lines.

The UK auto industry employs 186,000 with 856,000 linked jobs and its business executives and directors were among the most prominent advocates of the Remain camp in the 2016 referendum on leaving the EU. Japanese multinational Nissan urged its workforce to vote to stay.

Following the JLR decision, Labour MP Jack Dromey, whose constituency includes the Castle Bromwich JLR plant, declared that, “Brexit now threatens the jewel in the crown of British manufacturing excellence. Ministers must get it right or the future is bleak”.

Dromey, married to leading Blairite and ex-Labour deputy leader Harriet Harman, was a former top trade union bureaucrat in the Transport and General Workers Union trade union—the forerunner of Unite.

The Unite union echoed Dromey’s condemnation of May’s handling of the Brexit negotiations and the way it was creating uncertainty for big business and “our automotive industry”.

Assistant general secretary Tony Burke declared, “This is the continuing effect of the chaotic mismanagement of the Brexit negotiations by the government, which has created uncertainty across the UK’s automotive industry and the manufacturing sector generally.”

He added, “It is also the result of the mishandling of how the UK makes a just transition from diesel and combustion engines to electric vehicles. Both issues have damaged the ‘jewel in the crown’ of UK manufacturing—our automotive industry.”

The Blairite wing of the Labour Party and the trade unions represent the concerns of these corporations and are working to reverse Brexit or for a deal that continues to guarantee access to the customs union. Both are committed to making the corporations competitive in the global market, which can only mean greater exploitation of the working class.

The wrangling between the UK government and EU over exit terms takes place within the context of burgeoning trade war internationally. During a joint press conference on September 18 with Poland’s President Andrzej Duda, US President Donald Trump threatened the world’s nations with more tariff barriers than the onerous ones placed on China. “We’ve been ripped off by China,” he said, “We’ve been ripped off by the European Union and we’ve been ripped off by everybody. We’re not being ripped off anymore.” Trump has already threatened EU automobile exports to

America.

In a sign of how the developing global trade war has exacerbated the Brexit crisis, last year marked the first decrease in vehicle production in the UK for eight years. Investment fell by half in the first six months of 2018 compared to last year. Car production fell 11 per cent in July and the number of vehicles built for the UK market dropped by more than a third year on year.

The auto conglomerates now raising concerns over jobs are not concerned about the livelihoods of workers but only their own profitability. These same corporations have slashed hundreds of thousands throughout the industry in prior decades in the name of competitiveness. The unions have entirely collaborated in the job cutting and concessions.

Earlier this year Nissan announced hundreds of job losses at its Sunderland plant. As is standard, the unions have not lifted a finger to oppose this. Last week, Nissan announced hundreds more job losses at its plants in Europe, including at its Sunderland operation, saying, “These plans are designed to drive future growth and competitiveness for Nissan.”

The working class must oppose all factions of the ruling elite and reject their nationalist programmes. What is needed is a unified struggle by car workers internationally to defend jobs, wages and conditions. The *World Socialist Web Site Autoworker Newsletter* calls on workers to build rank-and-file committees, independent of the trade unions, to link their struggles against the global corporations.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact