

# Autoworkers at JLR and Vauxhalls UK face thousands of job losses

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The UK's biggest car maker, Jaguar Land Rover (JLR), is to carry out the first part of a £2.5 billion cost saving plan in the new year, threatening up to 5,000 jobs.

The plans were revealed by the *Financial Times* on December 15 and have not been denied by JLR. The newspaper reported, "During January the company will outline the short-term part of its plan, which will include job losses that run into the thousands, according to several people close to the company. The group has already shed 1,000 roles at its flagship plant in Solihull and reduced working hours at other sites amid falling demand for its diesel vehicles and saloon cars. Analysts are pencilling in up to 5,000 roles that may be lost, as the business is forced to take an axe to its workforce in order to survive."

Employing 40,000 workers in the UK, JLR, owned by the Indian multinational Tata group, is acting following the posting of its first six months of losses in a decade. JLR was considered the flagship of a resurgent British auto industry since its takeover from Ford in 2008, with sales burgeoning year on year. In 2017 it sold 604,009 units, of which 431,161 were Land Rover vehicles and 172,848 Jaguar vehicles. In 2016, car production in the UK was the highest this century and JLR its biggest manufacturer, turning out one-third of the 1.7 million total vehicles produced.

By 2018, however, the company laid off 1,000 temporary contract workers at its two factories in the West Midlands and reduced hours at other sites due to falling global demand for diesel cars and its large saloon model, as well as uncertainties over Brexit. The falling pound after the 2016 European Union EU referendum Leave vote also bumped up the price of components from abroad.

Sales in the same period fell by 13 percent, with a fall

in demand in every major market. Sales to the Chinese market, which had absorbed 25 percent of JLR sales, were 50 percent lower in November than the previous year.

In the three months to September, JLR lost £90 million pre-tax compared to the same period in 2017, when it made a profit. It brought in the Boston Consulting Group to come up with a restructuring plan, on top of a hiring and non-essential travel ban already in place—"targeting £2.5bn of cost, cash and profit improvements over the next two years."

JLR's decision to shed jobs highlights the increasing anxiety of the majority faction of the UK bourgeoisie opposed to a hard Brexit. Over half of UK car exports are destined for the European Union and two-thirds of car imports come from the EU. In March, JLR sales to Europe fell from 45,000 units to 35,000. UK car industry bosses all supported a Remain vote in the referendum and lobbied May to opt for a soft Brexit, including tariff-free access to the single market. Losing access to the EU's Single Market and Customs Union would create a nightmare scenario for UK manufacturing industry, with supply chains disrupted and the spectre of queues of lorries choking up the ports.

A no-deal Brexit would mean falling back on World Trade Organisation rules, increasing production costs up to £2,370 per vehicle. Even a 5 percent tariff on imported and exported cars between the UK and the EU, and 2.5 percent on components, would add an extra cost of £1,202.

In October, chief executive Ralph Speth warned JLR could lose tens of thousands of jobs as it faced a "very, very difficult situation" and that a bad Brexit deal could cost the firm £1.2 billion a year. The company is clearly factoring in the devastating consequences of a

possible “no-deal” Brexit at the end of next March.

The UK car industry across the board is threatened not just by Brexit, but the developing international trade war. Brexit is only one expression of a global breakdown of international relations between capitalist nations and a renewed struggle for markets.

The announcement comes in the wake of last month’s wildcat strike at Ellesmere Port near Liverpool against Vauxhall’s decision to shed 241 jobs. Vauxhall is owned by PSA, who also own Peugeot and Citroën. The wildcat disrupted the collaboration between the Unite union and PSA, who had been locked in negotiations for months in restructuring talks. The union issued no statement opposing job losses at Ellesmere Port and only called for “urgent assurances” over the plant’s future. It would be “pressing for guarantees of no compulsory redundancies ...”

The union collaboration in Vauxhall reduced its Ellesmere Port operations to a single shift. These cuts are on top of a total 60 percent job losses at the plant over the last two years, with the full collaboration of the union. Fully 400 jobs were lost last year and another 250 earlier on in the year, leaving a workforce of just 1,100.

This year, Japanese-based carmaker Nissan announced hundreds of redundancies at its plant in Sunderland amid rumours the plant may shut.

Workers can expect no fight from Unite at JLR or anywhere else. The union responded to the FT report by demanding only that it be party to any plans over job losses. A spokesman said, “Unite is not aware of any further job losses to those already announced and planned for early in the new year at Jaguar Land Rover. Unite also expects ongoing transparency regarding the difficult current climate the automotive sector is operating in the UK and its impact with the company.”

Most UK car companies, which employ 169,000 workers, are downsizing and cutting costs. Trade unions the world over pursue a nationalist policy, lining up with management to increase the competitiveness of their own companies in the shrinking global market, at the expense of their members’ jobs, wages and conditions.

US President Donald Trump promised his “America first” nationalism would bring back jobs to the US. In November, however, General Motors (GM) announced the closure of five car plants in the US and Canada,

which will lead to the elimination of almost 15,000 jobs. The response of the United Autoworkers Union has been a nationalist campaign denouncing GM for moving production to China and Mexico, while offering more concessions in its 2019 contract negotiations with the company.

A significant step to fight this was taken on December 9 at a meeting in Detroit sponsored by the Socialist Equality Party in the United States and the *World Socialist Web Site Autoworker Newsletter*. Autoworkers at the meeting voted to set up a rank-and-file steering committee, independent of the UAW, to oppose the closure of the five plants. The aim is to provide a platform to unite car workers in the US across national borders with their class brothers and sisters in Europe and the rest of the world.

The SEP in Britain urges workers to support this struggle, subscribe to the *WSWS Autoworker Newsletter* and work towards the formation of rank-and-file committees independent of the trade union bureaucracy.

*To sign up for the WSWS Autoworker Newsletter for frequent updates and to leave your comments or questions click here.*



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