

# Germany: MV Werften to cut 1,200 shipyard jobs

Gustav Kemper  
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In a two-minute video, the CEO of MV Werften (shipyards), Peter Fetten, informed the workforces of the three shipyards in Wismar, Warnemünde and Stralsund that more than a third of the 3,000 jobs are to fall victim to a “restructuring programme.” Around 1,200 jobs are at risk—a bitter blow for the workforces, as the shipyard industry is one of the most important employers in the region.

The future of the remaining workforce is also on the line as the owner of the shipyard is in financial difficulties. The three MV shipyards belong to the investment holding company Genting Hong Kong Ltd., which is mainly active in cruise shipping and also in the resort hotel, casino, travel events, aviation and shipyard businesses. The main shareholder and chairman of the board is billionaire Lim Kok Thay, who also operates large palm oil plantations in Malaysia.

In the former East Germany, the Baltic shipyards employed more than 50,000 workers producing cargo ships for sea and river shipping. After reunification, this business collapsed and tens of thousands lost their jobs. Ownership of the shipyards changed several times in the years that followed, and the workforce shrank to fewer than 1,500 workers.

When cruise shipping surged in the decade before 2020 and passenger numbers doubled internationally to 30 million, all shipyards specialising in cruise ships were operating at full capacity. This is what motivated Genting Hong Kong to enter the shipbuilding business in 2017 with the purchase of MV Shipyards. Genting promised orders totalling €3.5 billion for several river cruise ships, ice-breaking luxury vessels for cruises to the Arctic Ocean and two giant cruise ships.

As a result of the coronavirus pandemic, cruising came to a virtual standstill and with it the business of

manufacturing these ships. The cruise ship Global One is still to be completed in Wismar, and the luxury expedition yacht Crystal Endeavor in Stralsund, but work on a third ship, Global II in Rostock-Warnemünde, has been terminated and a scrapping company is already being sought.

As in other industries, the workers are burdened with any impediment to profit. This has been exacerbated by the pandemic. Instead of owners taking the loss, the shipyard group applied to the state government of Mecklenburg-Vorpommern and the German government for state aid to cover loan payments and other liabilities. In October, the state government agreed to an early partial disbursement of €193 million from the German government’s economic stabilisation fund.

IG Metall called this a “positive signal” and is hoping for further funds. A loan totaling €570 million has been requested. So far, employment has been secured until the end of March 2021, but with the company threatened with insolvency, the future outlook is uncertain.

The trade union has been holding talks on a plan to meet the crisis since last week. As in other industries, this means that IG Metall has already accepted the reduction of 1,200 jobs. Salary cuts and reduced working hours are under discussion.

The district manager of IG Metall Küste, Daniel Friedrich, called for new projects in offshore wind farms or naval contracts. Stefan Schad, managing director of IG Metall Rostock and Schwerin and union representative for MV Werften, said in a press release that the union was pushing for a “well-equipped transfer company.” “As many employees as possible” are to be retained, he said.

As early as last November, IG Metall Küste

announced that the union, the Nordmetall employers' association, and the management of MV Werften, as well as the general works council and the state ministries of finance and economics, had agreed that, given the current workload, there would have to be "extensive personnel adjustments and cost savings." The workers' representatives, the company and the government agreed to "close and constructive cooperation."

Like the numerous transfer companies that IG Metall had already set up in other industries, this one will only transfer workers to lower-paid jobs, precarious employment or unemployment. The Stralsund shipyard with about 650 employees could even be closed down entirely. Current orders are only sufficient to maintain employment until June.

The entire shipbuilding industry is in crisis. According to a survey by the consulting firm Pricewaterhouse Coopers, 83 percent of the companies questioned expect there to be numerous insolvencies in the industry this year. Already last year, the German Naval Yards in Kiel received federal subsidies. Thyssen Krupp Marine Systems is also in crisis. In September 2020, the union announced that more than a third of the 18,000 jobs at German shipyards were at grave risk.

The pandemic is revealing the brutality of capitalism: While luxury cruise ships for the rich are scrapped, refugees from Africa capsize in their unseaworthy rubber dinghies in the Mediterranean and refugees from Syria freeze in Greek mass camps.

Instead of defending every job on principle, the unions prove again to be stooges of the owners of capital, striving to engineer the destruction of jobs and workers' livelihoods in such a way as to prevent any rebellion.

It is high time that workers organise themselves independently of these bureaucratic apparatuses and join in action committees with their colleagues throughout industry and internationally to defend their jobs. The WSWs and the Socialist Equality Party fully support them in this endeavour.



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