

# Workers at Audi plant in Mexico vote to continue strike as company plans EV transition

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Autoworkers voted on Friday to maintain their picket lines at the massive assembly complex of Audi in the central state of Puebla and continue a strike that began on January 24.

Out of a total of 4,161 workers at the plant, 3,139 voted against the latest offer, which included a 7 percent global wage increase. Showing a growing determination to fight, this compared to 3,090 workers who rejected the first offer of a 6.5 percent raise.

The massive rejection followed attempts by the company to offer a 12-month extension of contracts for the 800 casual employees in the plant as a means of influencing the vote.

The impact of the strike has been significant. Since opening in 2016, this has been the only Audi plant in North America and the only supplier of the Audi Q5 model and its derivatives for the world market, except China. Most are exported to the US, Germany and Australia.

In three 8-hour shifts, workers make anywhere from \$2.50 to \$7.75 per hour to produce about 750 luxury SUVs daily, which translate into \$41 million each day. Audi spends somewhere in the vicinity of \$150,000 daily on wages in Puebla, depending on the source.

Economist Angélica Tenahua Cadena of Puebla Anáhuac University estimates that the Audi and neighboring Volkswagen plants represent 40 percent of the economy of the state of Puebla (with a population of 6.6 million) and that 100 supplier plants depend on them. But only a tiny fraction of what they produce remains in the hands of workers.

While the company claims it pays some of the best wages of the auto industry in Mexico, most workers in the plant still make between \$600-900 per month or below the \$1,045 official poverty line for a family. Many need side jobs to make ends meet.

The so-called Audi Independent Union (SITAUDI) has said it is willing to accept a 10 percent wage increase compared to its initial demand of 20 percent. In either case, it would mean a few thousand dollars or spare change for Audi and its parent company Volkswagen.

Even doubling wages is the equivalent of three vehicles per day, a reality which should serve to undermine the inevitable announcement of a major “victory” by SITAUDI once the offer is increased by a few percentage points.

The strike has much greater implications for the German-based Audi and the ruling class as a whole which workers must understand in order to fight for a genuine victory.

Tenahua explains that while wage increases have dominated the coverage, the most important factors are really “the transition to the production and use of electric vehicles, as well as the repositioning of suppliers and assemblers on a global scale.” She specifically cites efforts by the United States and other powers to dominate the market against Chinese corporations.

In fact, the shift to EV is not driven by ecological concerns but geopolitical competition between rival capitalist ruling elites.

In 2022, Audi announced a major investment to begin producing electric versions of its SUVs in Puebla by 2027, including a \$86 million solar farm to “decarbonize” production. This announcement is being ignored by the unions and most of the media, despite being central to the struggle being waged by workers.

This is part of a total transition to EVs. Audi has made public plans to end all new combustion engine models by 2026, and their production by 2033. The hybrid Q5 is already being produced in Puebla, and the electric Audi Q5 e-tron began its production in China in 2022.

This transition is resulting in a historic jobs bloodbath that will inevitably impact Mexico, where President Andres Manuel López Obrador announced plans for half of all vehicles produced in the country to be electric by 2030.

At Audi Germany, the transition to EVs has already involved the elimination of 9,500 jobs. These layoffs derive from the estimated 30 to 40 percent less labor needed for EVs than combustion engine cars. Moreover, the transition is being exploited to introduce design changes and

automation to further lower production costs.

Tesla, for instance, is building a gigafactory in Monterrey which expects to assemble one million electric vehicles per year with less than 6,000 direct employees, according to Mexican government sources. This is the equivalent of one fourth of the workers currently needed per vehicle at Audi Puebla.

In Mexico, the “independent unions” like SITAUDI and their partners in the pseudo-left, including the Morenoite *La Izquierda Diario*, have presented the sellout contracts following the US “stand-up” strike by the United Auto Workers (UAW) at Ford, Stellantis and GM as the example to follow. They have cited the 25 percent wage increase over four and a half years as a “historic victory” for American workers.

What they fail to mention is that only a small fraction of workers at the three companies was ever on strike, and that announcements of billions in profits and handouts to investors followed along with mass layoffs of thousands of workers, many as a result of the transition to EVs.

The IG Metall union in Germany, which leads the so-called “Global Union” IndustriAll, has overseen the loss of 37,000 jobs in auto parts suppliers since 2018, with tens of thousands more already announced.

For years, the AFL-CIO in the US, IG Metall in Germany and Unifor in Canada have worked with their respective governments to train and sponsor the creation of new “independent” trade unions in Mexico, targeting automotive and other key industries. So far, such trade unions have been installed at plants of Volkswagen, Audi, Nissan and General Motors, where they compete with the gangster-ridden Confederation of Mexican Workers (CTM) that still controls most contracts in the country.

In 2018, under the initiative of IndustriALL, a Federation of Independent Unions of the Automotive, Auto-parts, Aerospace and Tire Industries (FESIILAAAN) was created.

This new union bureaucracy is closely tied to the ruling Morena party of López Obrador. The Mineros union led by Morena Senator Napoleón Gómez Urrutia is a frequent recipient of AFL-CIO money and belongs to the FESIILAAAN.

The López Obrador administration implemented in 2020 a labor reform requested by the US and Canadian governments that required all workplaces to renew their contracts with the unions. This was aimed at channeling an emerging rank-and-file rebellion against the hated CTM behind the election of new unions, while introducing a process for vetting the new “independent” bureaucracy.

While pretending to be more “democratic,” the unions backed by the US, European, and Canadian bureaucracies and governments are acting as just another cheap labor

contractor.

SITAUDI refused to call on workers to vote for or against the latest sellout tentative agreement and insisted that its role was limited to “negotiating” with the company. This can only mean that it wishes the conflict to be over and to go back to sitting in air-conditioned offices while enjoying the privileges of their automatic dues. It must be added that no strike pay is being paid to workers.

After an initial contract extension since January 1 to try to avoid a strike, Sitaudi was largely pressured to launch it due to competition from a minority Authentic Audi Workers Union (SAUTAM).

Most importantly, Sitaudi has refused to carry out any effort to mobilize workers across the industry within Mexico or internationally, which is absolutely necessary to confront major transnational corporations like Volkswagen.

Far from initiating a new era of “combative” unionism, the Audi strike is the exception that confirms the rule. It is the first auto strike since the 2019 wildcat rebellion against the CTM unions in Matamoros, when “independent” unions intervened to contain it. As a result of the labor reform, strike authorizations have dropped nationally by 87 percent between 2019 and 2023, according to the Employer Confederation (COPARMEX).

Like the UAW during its limited strike last year, the aim of SITAUDI and the rest of the “independent” union bureaucracy is to implement sellout deals which will be used to intensify exploitation and cut jobs as part of the EV transition.

Only the International Workers Alliance of Rank-and-File Committees (IWA-RFC) is waging the necessary fight to organize workers against all nationalist and pro-capitalist trade unions and political organizations and to coordinate their struggles globally against capitalist exploitation. The IWA-RFC demands, as indicated during a recent statement, “If EVs require less labor time to produce, then reduce hours and increase pay!”



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