

German automaker Audi cuts 7,500 jobs

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Audi announced last week it was cutting 7,500 jobs and would be implementing a medium-term “savings programme” of more than €1 billion per year. The IG Metall union describes the so-called “Agreement for the Future” as a “success” and is already working on the concrete implementation of the savings targets.

The Audi jobs are to be cut by 2029 at its Ingolstadt headquarters and in Neckarsulm in administration, sales and development.

Across Germany, the 55,000 employees of this Volkswagen subsidiary are worried about the future of their families. An Audi worker at the Neckarsulm plant told Südwest Rundfunk radio that today was “not a day to rejoice” after hearing about the savings package and job cuts.

Audi General Works Council Chairman Jörg Schlagbauer, who has no worries about his future, sees things differently. The destruction of 7,500 jobs was justifiable, he told business weekly *Wirtschaftswoche*. He even spoke of a success for IG Metall, as management had originally proposed cutting 12,000 jobs.

For months, IG Metall and its works council representatives had worked out the plan behind closed doors with Audi management. Similar to VW, where IG Metall agreed to cut 35,000 jobs and reduce wages, pay at Audi will also be cut in addition to the job losses. IG Metall and management stated that the profit-sharing scheme for employees would be reduced. In 2024, each employee received €8,840, which will now be reduced to €5,310. This is likely to be the start of a series of attacks on the workforce in the future.

However, in the face of intensifying competition, Audi’s profit margin, which has recently been well below 5 percent, is expected to return to double digits by 2029 at the latest once the current “Agreement for the Future” has been concluded. What other bad news awaits the autoworkers in addition to the current job cuts and reduction in profit sharing remains a secret.

According to the Audi Media Centre, “based on the key points, the next step will be to define the measures and the structure in the divisions in detail and the specific mix of personnel instruments and then implement them consistently.”

Profits fell by around a third last year. However, this was mainly due to the costs of the closure of the Belgian Audi plant. Despite massive protests by the workforce, Audi stopped production there in February and closed the plant, which was

founded in 1949, destroying 3,000 jobs and hundreds more in the supplier industry.

In addition, the Audi Group, which also includes subsidiaries Bentley, Lamborghini and Ducati, sold fewer vehicles in 2024 than in the previous year. Sales figures for the cars and motorbikes in the luxury segment produced by 87,000 employees at 21 locations in 12 countries fell sharply in some cases, from over 1.9 million to under 1.7 million.

Marco Schubert, management board member for sales and marketing at Audi, pointed to the discontinuation of some models as the reason for the cuts. He therefore categorised 2024 as a transition year: “We have strong models in the start-up phase, but these will only gradually impact volumes in the markets.”

In China, the German automotive industry as a whole is facing rapidly growing competition from Chinese manufacturers who are producing technologically advanced and affordable electric cars in one of the world’s most lucrative markets.

This also applies to the Audi Group, which delivered just under 650,000 vehicles in China last year, around 80,000 fewer than in the previous year. These were almost exclusively internal combustion engine vehicles; the group only sold 164,000 of its electric cars worldwide in 2024.

Comparatively, on the American market, Audi—just like Porsche, which is also part of the VW Group—is more affected by Trump’s punitive tariffs than other German manufacturers. Neither of them currently produces in the US and only supply imports to the auto market. Last year, Audi delivered to the US around 57,000 vehicles from Germany, 31,000 from Slovakia and almost 8,000 from the now closed plant in Belgium.

As a result of these developments, turnover fell from just under €70 billion in 2023 to €64.5 billion in 2024. As profits slumped, the return on investment fell from 9 percent to 6 percent. The uproar among investors was enormous. The job cuts and savings programme that have now been announced are intended to satisfy investors’ greed for profit.

CFO Jürgen Rittersberger assured that the Audi Group would deliver, promising that the 2025 financial year would exceed the 2024 result with turnover of between €67.5 billion and €72.5 billion. The operating margin should rise again to between 7 percent and 9 percent within a year, he said. “However, we still have a tough road ahead of us,” warned

Rittersberger. “In order to achieve our sustained return targets, we will continue to consistently drive forward the transformation of the company.”

This is to be ensured by the so-called “Agreement for the Future.” Audi CEO Gernot Döllner proudly explained at its announcement, “The Agreement for the Future is the basis for continuing to consistently implement the personnel transformation.” In times of upheaval, “company management and the Works Council are pulling together.”

The terms “Agreement for the Future” or “Future Contract” are regularly used by IG Metall to feign job security and maintain its stranglehold over the workforce. Under this guise, which always includes revision clauses and other hidden measures, IG Metall collaborates with management to develop and implement various methods of job cuts and austerity programmes.

In December, IG Metall glorified the “Future Agreement” at parent company Volkswagen, citing the reduction of 35,000 jobs and a 20 percent loss in real wages as the “Christmas miracle of Hanover.” Weeks later, employees had to face the fact that the agreement was a carte blanche for management to make unlimited job cuts and plant closures in the future.

At the beginning of March, automotive expert Constantin Gall from the consulting firm Ernst & Young stated in a press release: “The German automotive industry is in a massive and comprehensive crisis. We will therefore see car manufacturers massively cutting costs this year in order to increase their resilience. This will inevitably lead to significant job losses.”

The auto corporations can fully rely on the trade unions to implement the job cuts and savings programmes. Following the same pattern, firms first announce job and social cuts, whereupon the IG Metall works councils loudly threaten “resistance,” only then to implement exactly what the companies initially demanded—or even more, as in the case of VW.

The current agreement at Audi also followed this script. Even during the negotiations, Jörg Schlagbauer, who as chairman of the General Works Council is also deputy chairman of the Supervisory Board, invoked the alleged “fighting spirit” of IG Metall.

The “list of atrocities” initially presented by the company would be resolutely countered and the union was prepared for “all eventualities,” he boomed. “If the company does not give in quickly, there will be a rampage,” even during the so-called industrial peace period if necessary, he added. A few days after this bluster, Schlagbauer signed the current “future agreement” and praised the fact that compulsory redundancies would be ruled out until 2033. Audi and IG Metall will just implement the job cuts in other ways.

“With the reduction and structural reorganisation of profit-sharing, the Audi workforce is making an important contribution to making [Audi] as a whole weatherproof and future-proof again,” Schlagbauer added. “The Audi workforce

is investing many, many millions of euros in its own future over the years.”

Wrong. The workforce is “investing” in increasing returns, i.e., putting more money in shareholders’ pockets.

The top management is rewarding this. In order to secure the dominance of IG Metall over the workforce, Audi management has agreed to pay an additional bonus for IG Metall members from 2026. In this way, the union and employer are trying to force the workforce to become members. IG Metall, currently Germany’s largest trade union with just under 2 million members, has lost around 280,000 members in the last 20 years.

Workers are increasingly turning their backs on the trade unions. Hardly any workers defend IG Metall when they speak frankly outside the factory gates.

Many criticise the fact that IG Metall is implementing company job cuts and is now also supporting the pro-war policy of the incoming federal government. This became clear on IG Metall’s March 15 “day of action.” What was declared to be a “wake-up call for secure work” turned out to be nationalist agitation by leading trade unionists in support of the war policy.

This “day of action” unmistakably showed the trade union bureaucracy to be an integral part of the state apparatus and its rearmament policy. The massive rearmament spending and preparation for war will intensify the attack on jobs and social achievements to an unprecedented degree. In order to defend jobs, workers must therefore also oppose the pro-war policy.

Workers’ growing opposition to job cuts and rearmament must lead to a political break with the trade union apparatuses. What is needed are independent rank-and-file action committees in which workers unite across locations, sectors and national borders to conduct a real fight against the attacks of the corporations. We call on workers at Audi and all other manufacturers and suppliers to get in touch with us. Send a WhatsApp message and register directly using the form below.



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