

# Threat of mass layoffs at Thyssenkrupp and HKM, the conversion of Germany's steel industry to a war economy

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Germany's largest steel company, Thyssenkrupp Steel Europe (TKSE), and Hüttenwerke Krupp Mannesmann (HKM) are threatening mass layoffs. This will force the restructuring of the steel industry into a smaller but more efficient production system to guarantee steel production even in times of war. Steelworkers are being made to foot the bill with job losses and wage cuts. This is what the IG Metall union and the corporation's executive board want to push through in the coming weeks and months.

Last November, when Thyssenkrupp announced it would cut 11,000 of the 27,000 jobs at its steel subsidiary, it shocked steelworkers in the Rhine and Ruhr regions, in the Siegerland and Sauerland districts. IG Metall responded loudly, announcing protests and industrial action. However, apart from a few brief, carefully staged protests, nothing of the sort happened.

The "vigil tent" in front of Gate 1 of the steelworks in northern Duisburg is symbolic of the policy of IG Metall, which claims to be the largest single trade union in the world. Unless a guest from Berlin is invited to promote themselves in front of the backdrop of the steelworks wearing a hard hat—such as Chancellor Olaf Scholz (Social Democratic Party, SPD), Labour Minister Hubertus Heil (SPD) or Duisburg MPs Mahmut Özdemir (SPD) and Felix Banaszak (Greens)—it usually stands empty.

In reality, IG Metall has made it clear from the outset that it supports the attacks. *As in the last decades of de-industrialisation, its only condition is that it be involved in order to suppress resistance ruling out immediate plant closures and compulsory redundancies.*

This has not changed since November. What has changed, however, is the international situation with the election of Donald Trump as US president. Trump's tariff war has plunged the German steel industry even deeper into crisis than it was before. The automotive sector, its main customer, is ordering even less, and US tariffs on steel are being raised. This affects TKSE less directly due to its low exports to the US. However, China, by far the world's largest steel producer, is likely to dump even more steel on the European market.

In view of this escalating trade war, the German steel industry is calling for "painful solutions" to make domestic steel production profitable. This was the wording used by Gerhard Erdmann, managing director of Stahl, the employers' association, in an interview with the regional press on Thursday. Although the next round of steel wage negotiations will not begin until September, Erdmann is already making clear that "There is nothing to dispense. The crisis has us firmly in its grip." The current challenges could "no longer be overcome by the tried-and-tested mechanisms alone," according to Erdmann.

The 2023 contract gave companies flexibility over working hours—the 35-hour week could be reduced to 32 or increased to 38. But similar measures were no longer sufficient, according to Erdmann.

And IG Metall agrees. That is why it is pushing for so-called "social wage contracts" for the 27,000 steelworkers at Thyssenkrupp Stahl and the 3,000 employees at HKM. The implementation of such collective agreements means that job cuts have already been accepted. They do not prevent plant closures or mass layoffs but merely regulate them.

IG Metall has called on the TKSE executive board to "show its colours by the Easter holidays." It should recognise the union's "red lines" in order to clear the way for the elimination of 11,000 jobs. IG Metall has already set up collective bargaining committees at all locations, which in turn have formed a joint collective bargaining committee. Its "red lines" are, once again, the supposed exclusion of "compulsory redundancies," guarantees for all locations and investment commitments.

As in the past, the IG Metall apparatus intends to divide the individual sites from each other and push through the attacks using its old tricks. The demand that compulsory redundancies be excluded is a farce. These have not existed in the steel industry for decades, yet almost 100,000 jobs have been destroyed.

And "guarantees" for production sites say nothing about the size of the workforce. But the lower the number of employees at a given location, the closer it is to closure. Securing isolated

locations does not prevent their closure but at best delays it. In addition, IG Metall always agrees to revision clauses that render any agreement on securing locations null and void in the event of “changes in the economic situation,” in other words, precisely when such an agreement would actually be needed.

That is why the “social wages contracts” that IG Metall is now seeking are not worth the paper they are written on.

This applies above all to the 3,000 HKM steelworkers. Thyssenkrupp owns half of HKM (Salzgitter AG owns 30 percent and Valourec 20 percent) and is also the largest customer for HKM steel. Around 60 percent of the steel produced by HKM in the south of Duisburg goes to TKSE’s plants in the north of Duisburg and in Hohenlimburg for further processing. However, on April 4, the TKSE supervisory board decided to terminate the existing supply contract with HKM in 2032.

“Following the termination of the supply contract by Thyssenkrupp, we must prepare for the worst—namely closure,” said Karsten Kaus, managing director of IG Metall Duisburg-Dinslaken. “Even if the supply contract with Thyssenkrupp still has seven years to run, it is already clear that Thyssenkrupp will withdraw the quantity it purchases from HKM by 2028 at the latest and produce this itself,” said Kaus; adding that he expected “compulsory redundancies.”

The union official is now calling for a social wages contract, which is usually employed in the event of plant closures. This would “cushion the social impact of mass layoffs,” Kaus told the local press. “As a last resort, we can even go on strike.”

But HKM Works Council Chairman Marco Gasse has made it clear that the IG Metall apparatus and its works council reps at HKM will not launch strike action and certainly not to defend jobs. In addition to severance and partial retirement arrangements, employees would also be able to “voluntarily” move to a so-called “transfer company” for up to three years.

However, he still hoped that HKM co-owner Salzgitter would commit to keeping HKM afloat. “In the event that Salzgitter AG decides to continue operating the steelworks, we are available for talks on a future and transformation agreement, as we would be in the event of a sale of HKM.”

## **Restructuring the steel industry for rearmament and war**

The word “transformation” is one of the favourites of union apparatchiks. They use it to emphasise their support for embedding the German steel industry in the war economy. Immediately after war credits of 1 trillion euros were ratified by the SPD, Christian Democrats (CDU/CSU) and Greens, the IG Metall executive board announced its approval in a press statement headlined, “Speed and decisiveness are a good signal.”

When Chancellor Scholz described the steel industry as “indispensable” for Germany at the so-called steel summit at the end of last year, Tekin Nasikkol, head of the overall Thyssenkrupp works council, raved that Scholz had “recognised the signs of the times” and “promised concrete measures to strengthen the system- and security-relevant steel industry.”

IG Metall also speaks of a “transformation towards climate-friendly production.” This is the mechanism it is using to call on the state to subsidise Thyssenkrupp in order to maintain a war-ready national steel industry. In their coalition agreement to form the next federal government, the CDU/CSU and SPD have already announced their intention to support the steel industry “in its transition to climate-neutral production processes.”

The IG Metall and numerous federal politicians are in favour of state intervention in Thyssenkrupp and the entire steel industry—similar to the UK government, which last week placed British Steel’s only remaining blast furnaces under its control by emergency decree. The IG Metall’s demand for “investment commitments” runs along the same lines.

But unlike what IG Metall, the works council officials around Nasikkol and steel works council chief Ali Güzel portray, state intervention would serve to remilitarise Germany and not to save jobs at TKSE.

Jobs cannot be defended by switching to arms production, which means preparing for wars that threaten the lives of millions of workers and their families. On the contrary, defending jobs is directly linked to the fight against rearmament and militarisation.

New organisations must be built that unite all steelworkers and overcome divisions based on location, corporations and nations. This is only possible against the IG Metall apparatus, not with it.

We call on all steel workers to participate in the formation of a rank-and-file Action Committee. All steelworkers must stand together and establish contacts with fellow workers in other industries and countries who, as in the auto industry, are facing the same attacks. This is the only principled way to defend jobs, wages, working conditions and workers’ rights.

*Contact us! It is time to take action, otherwise the steel industry will be gradually dismantled until only a small remnant remains that is essential for the war effort. Send a WhatsApp message to +491633378340 and register now using the form below.*



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