Shareholders of German steelmaker Thyssenkrupp reaffirm plan to break up company

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29 June 2025

On June 22, shareholder representatives on the supervisory board of Thyssenkrupp AG in Germany reaffirmed their plan to break up the long-established company. At the same time, the works council elections at the company's largest steel mill ended. Both events should serve as a warning signal to Thyssenkrupp employees—especially its steelworkers.

The supervisory board prematurely granted Thyssenkrupp CEO Miguel Lopez a new contract. Lopez had only recently announced his plan to break up the group, leaving only a financial holding company with a few hundred employees to manage the shares in the individual, independent and other divisions. To underscore its support for this job massacre, the supervisory board has now offered Lopez a five-year contract instead of the previous three.

At the same time the supervisory board gave the green light for the next step in the introduction to the stock market of the group's marine division Thyssenkrupp Marine Systems (TKMS). Since this is planned as a so-called spin-off, meaning the shares will simply be distributed pro rata to existing shareholders, not a single cent will end up in the company's coffers. The shareholders, on the other hand, are making a fortune due to the company's increasing role in war production.

Due to escalating wars and the global arms buildup, TKMS has full order books until 2040. The group, led by former IG Metall district secretary from North Rhine-Westphalia, Oliver Burkhard, employs around 6,500 people and is looking for additional shipyards to build submarines and warships.

The Meyer Werft shipyard in Wismar, which previously specialized in cruise ships and most recently built a Disney cruiser, will now build warships on behalf of TKMS. However, the Thyssenkrupp Group only intends to list 49 percent of its marine division on the stock exchange, thus retaining the majority stake, because it is so highly profitable.

The situation is different with the steel division. In an interview with the newspaper Welt am Sonntag, Lopez did not rule out the possibility that the group could reduce its stake in Thyssenkrupp Steel below 50 percent.

Supervisory Board Chairman Siegfried Russwurm, like Lopez a former Siemens manager and most recently president of the Federation of German Industries (BDI) from 2021 to 2024, explicitly justified Lopez's contract extension with his work at Thyssenkrupp Steel: “Over the past two years, Miguel Lopez has driven Thyssenkrupp's strategic repositioning with enormous energy and clear objectives, making important progress.” This applies in particular to the 20 percent stake of Czech billionaire Daniel Kretinsky, who, if shareholders have their way, is expected to take over at least 50 percent of the steel division.

In order to make the steel sector attractive for Kretinsky's EP Corporate Group (EPCG), 11,000 of its 27,000 jobs are to be eliminated. 5,000 steelworkers are to lose their jobs directly, and 6,000 jobs are to be eliminated through outsourcing. Employees at Rail & Steel (formerly Iron and Ports) in administration and central services are particularly concerned about their future.

Of the 3,000 steelworkers at Hüttenwerke Krupp Mannesmann (HKM), in which Thyssenkrupp holds half the shares, the company counts 1,500 among those it intends to get rid of—in other words, “outsource.” HKM employees are currently hoping that Salzgitter Stahl AG, which owns 30 percent of HKM's shares, will maintain at least some production. If this does not happen, the plant will be liquidated.

The IG Metall trade union and its works councils support this course. While they criticized Lopez in a high-profile campaign, displaying portraits of him with the inscriptions “Lopez not my CEO” and “Lopez Not My King,” they do not reject his goals in substance. Immediately after the announcement of the loss of 11,000 steel jobs, the IG Metall works councils declared that they could not close their eyes “to the reality of the weak economy.”

Jürgen Kerner, second chairman of IG Metall and deputy chairman of the supervisory board of Thyssenkrupp, reiterated this in a guest article for the magazine *Wirtschaftswoche* on June 18: “The employee side is aware of its responsibility. It has always been open to new solutions and has repeatedly demonstrated its willingness to constructively support even painful processes. We want to continue doing so.”

Thyssenkrupp General Works Council Chairman Tekin Nazzikol reiterated in an interview with the *Westdeutsche Allgemeine Zeitung* on the same day that he had made it clear from the outset: "The restructuring must be socially acceptable."

The hypocritical criticism of Lopez by IG Metall and its works council members is intended to distract from the fact that they fully support the elimination of the 11,000 jobs and the associated attacks—a 10 percent wage cut and a deterioration in working conditions for the remaining 16,000 employees. What they expect from Lopez and the company's management is that the union is involved in these "painful processes."

Kerner writes: "However, we experience the employers' position as increasingly hardened and unwilling to compromise. This has created a situation within the company that does not bring the problems closer to a solution, but rather exacerbates them."

IG Metall regional chairman Knut Giesler, Russwurm's deputy on the supervisory board at Thyssenkrupp Steel, is currently negotiating with the steel board about the concrete implementation of the cutbacks. He, too, is annoyed that the board isn't consulting with him and his peers.

"The employer has only presented figures, for example, that we have to make do with thousands of fewer jobs," reads an IG Metall leaflet. "But at the same time, the board has no idea whether and how the company can continue to operate with fewer employees."

Giesler and IG Metall do not seek to prevent the breakup of the company and the associated job cuts, but rather assist in implementing them. This is demonstrated by Giesler's proposal to first test, in a "trial operation," whether the company can continue to operate with significantly fewer employees.

In this context, the outcome of the early works council elections at Germany's largest steel mill, the Thyssenkrupp plant in northern Duisburg with around 13,000 employees, bodes ill. The IGM list won 30 seats (plus two) on the 39-member council. Together with the two employees (minus two) who cooperate closely with IGM, they command a commanding majority on the works council.

There were a few changes among the other seven "opposition" lists. For example, Binali Demir of the Sahra Wagenknecht Alliance (formerly, Wagenknecht was a long time leader of the Left Party) lost his long-held seat on the works council. Demir was one of the two works council members who voted against the early election.

But neither he nor any representative of the other seven lists had made it clear that the breakup of the entire group, the sale of the steel division, the closure of steel mills, and the destruction of one in four jobs could only be prevented by opposing the IG Metall apparatus.

Quite a few employees suspected that the other candidates' motives were more selfish than substantive. Accordingly, voter turnout was only 55 percent. This reduced IG Metall's electoral success to less than 39 percent of the total workforce.

Nevertheless, the IGM works councils will now use the election as a basis to impose massive job destruction on the workforce. They see this as their primary task.

They will claim that nothing can be done to stop the jobs massacre in the steel industry and that it can only be "cushioned through social collective bargaining agreements." The crisis in the steel industry, however, is not some sort of natural disaster but a consequence of the bankruptcy of the capitalist system, which subordinates the needs of society to the profit-hungry billionaire oligarchs. A merciless battle for raw materials, energy and markets is being waged on the backs of the workers, which—in the form of the NATO war against Russia and the US-Israeli war against Iran—is escalating into a Third World War.

The steel industry is particularly hard hit by the consequences—the general economic crisis, the slump in sales in the auto industry, one of the main steel consumers, and the price war on the global market.

The union bosses, with their upper five-, six- and seven-figure incomes, are responding by subordinating the company's workforces to the government's war policies and the profit interests of shareholders. The IG Metall executive board welcomed the government's €1 trillion in war loans in a press statement as a "good signal." When Chancellor Olaf Scholz (Social Democratic Party) at the end of last year described the steel industry as "indispensable" for Germany, Nasikkol enthused that Scholz had "recognized the signs of the times" and "promised concrete measures to strengthen the system- and security-relevant steel industry."

Workers' jobs, however, cannot be defended by converting to war production. The wars in Ukraine and the Middle East threaten the lives of all humanity. The defence of jobs must therefore be directly linked to the fight against militarism and war.

We call on the steelworkers of Thyssenkrupp and all 100,000 company employees to participate in establishing action committees. Contact us! Now is the time to take action, or the company faces dismantlement. Send a WhatsApp message to the mobile number +491633378340 and register now using the form below.