

South Korean autoworkers face attacks on working conditions from Trump tariffs

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South Korea's auto industry is facing growing opposition from the working class in the face of Trump's trade tariffs. Workers at companies like GM Korea have voted to strike, signaling their desire to fight back against the attacks on their jobs and working conditions.

Washington has already imposed a 25 percent tariff on vehicles and auto parts from South Korea. On Monday, Trump announced that he would go ahead with his threat to impose a 25 percent "reciprocal" tariff on other South Korean imports as well. The new rate will go into effect on August 1, extending by a few weeks the deadline for Seoul and Washington to potentially reach a trade deal.

The US is a significant market for companies like Hyundai Motors, Kia and GM Korea. A third of South Korean exports to the US last year were vehicles and auto parts. At present, South Korea's economy is expected to grow by only 0.8 percent in 2025, the Bank of Korea predicts. Without a trade deal, the economy is expected to decline by 0.4 percent, according to the Ministry of Trade, Industry and Energy.

Auto companies have long planned to carry out job cuts as part of the transition to electric vehicles and turn to "smart" technology and AI, but they are exploiting the Trump tariffs to accelerate their attacks on jobs, pay and conditions. This is driving workers into struggle. Last month, workers at GM Korea overwhelmingly voted to strike, with 88.2 percent of the 6,851 union members supporting a walkout. This was the highest figure in the union's history for the company.

Contract negotiations began on May 29 between GM Korea and the Korean Metal Workers' Union (KMWU), one of the most prominent unions within the so-called "militant" Korean Confederation of Trade Unions (KCTU). The KMWU also represents workers

at other vehicle and auto parts manufacturers, including Hyundai Motors and Kia.

The contract talks broke down on Monday after the National Labor Relations Commission suspended negotiations, giving the KMWU the legal "right" to strike. The union jumps through these legal hoops as a means to block any strikes and to refuse calling out their membership for broader struggles.

The union, in fact, is doing everything possible to keep workers on the job in order to defend the auto company and big business as a whole. Even with the "right" to strike secured, the union has merely stated, "We are keeping all options open," rather than launching any sort of genuine struggle.

The union is requesting a 141,300 won (\$US103) monthly raise, a one-time bonus equal to 500 percent of base pay, and a so-called "performance-based" bonus equivalent to 15 percent of annual net income. Despite an operating profit of 1.36 trillion won (\$US990 million) in 2024, GM Korea has rejected these requests, claiming it expects a decline in sales this year due to the Trump tariffs. GM Korea exports approximately 410,000 vehicles annually, with 85 percent going to the US.

Workers are acutely aware that jobs are on the chopping block. They are opposed to GM Korea's plans to sell nine of its directly-operated service centers and so-called unutilized facilities at its Bupyeong plant in Incheon. The union is supposedly demanding the withdrawal of this plan in order for wage negotiations to take place.

GM Korea has already carried out a slew of job cuts and plant closures in recent years, even as GM struck a deal in 2018 with the government of then-President Moon Jae-in, a Democrat, for 810 billion won (\$US590 million) in public money to maintain production in

South Korea for 10 years.

The union has overseen this slashing of jobs, which includes the shuttering of the Gunsan plant in 2018 and the suspension of operations at the Bupyeong Plant 2 in 2022. Workers should place no faith in the KMWU to defend jobs this time around either.

Even if the union does call a strike, it will almost certainly be restricted to partial walkouts for a few hours per shift, with lost production made up through overtime. The union will isolate workers from other struggles and consciously prevent a joint strike of GM Korea, Hyundai, Kia and other autoworkers from taking place. This is the modus operandi of the KMWU and other unions in South Korea.

The KMWU branches at Hyundai Motors and Kia, which are both part of the Hyundai Motor Group, one of South Korea's massive, family-operated conglomerates known as *chaebol*, are also negotiating new contracts with their respective companies. Hyundai Motors' union has requested a 4.5-day work week without a corresponding loss in pay, as well as 30 percent of 2024's net profits in "performance-based" bonuses.

The negotiation of bonuses is not a small matter. They represent a significant portion of a worker's wages added to his or her base pay for the year. According to Job Korea, an employment portal website, the average worker at GM Korea, for example, makes 35.12 million won (\$US25,570) annually. This is in sharp contrast to the claims in the establishment press that autoworkers make over 80, 90 or even 100 million won. These claims are meant to sow divisions and deride autoworkers as "labor aristocrats."

It is also worth recalling that during negotiations last summer between the KMWU and Hyundai Motors, the union boasted that it had orchestrated a deal in which workers would receive 50.12 million won on top of their base pay. A Hyundai official informed the *JoongAng Ilbo* at the time that bonuses would only rise to about 10 million. Neither of these figures can be believed.

This is the reality of the so-called "performance-based" bonuses. While the union dangles illusions of large pay increases in front of its membership, in order to secure their agreement on new, pro-company contracts, the auto manufacturers know full well that this is for show.

The same goes for the KMWU's request for shortened working hours at Hyundai. During his election campaign, new Democrat President Lee Jae-myung made the pledge for a 4.5-day work week to posture as a friend of workers, with no intention of implementing it. Companies like Hyundai balked at the idea and Lee quickly backtracked.



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