Auto industry crisis in Germany

Automotive supplier Segula files for insolvency: The tip of the iceberg

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28 July 2025

On July 9, Segula Technologies GmbH, based in Rüsselsheim, Germany, filed for insolvency in self-administration with the Darmstadt Local Court. This means that a further 500 jobs for engineers, technicians and developers are at risk.

Segula only came to Rüsselsheim eight years ago, when Opel was taken over by the French PSA Group. The French engineering service provider took over both the Opel development center in Rüsselsheim and the traditional test site in Rodgau-Dudenhofen.

Two years later, when the merger between PSA and Fiat-Chrysler created the third-largest global group Stellantis, Segula, with the support of IG Metall, promised to permanently secure 2,000 jobs, but this never materialized: At most, just under 900 people were employed at Segula before it rushed to downsize again.

In the meantime, Segula has already transferred 200 of its 500 employees to the consulting sector, as those affected have reported to the WSWS. The remaining 300 engineers and technicians are to be made redundant. The six-storey building in Rüsselsheim is apparently already empty and is being offered for rent on the internet by real estate agent Colliers. The workshops are likewise half empty.

The owner of the buildings and the test site in Dudenhofen is still Opelwerke, which has belonged to Stellantis since the takeover by PSA. Stellantis is also Segula's primary customer. However, the Stellantis Group is in the process of relocating its testing activities from Germany to the plant in Balocco, Italy, which belongs to Fiat and therefore also to Stellantis.

At the Rüsselsheim ITEZ, the International Technical Development Center, the Opel Group has long employed around 7,000 highly qualified engineers, technicians, developers and car pilots in modern testing and development facilities.

The Opel test site in Rodgau-Dudenhofen, just south of Frankfurt, in particular, which has been in operation since the 1960s, is a “centerpiece” of automotive development alongside Untertürkheim (Mercedes) and Weissach (Porsche). In addition to modern testing facilities, it also includes more than 60 km of racing and test tracks and an almost 5 km long high-speed circuit, which is equipped with lighting for nighttime testing.

The Segula insolvency is just the tip of the iceberg. Over 9,000 jobs have been cut at Opel alone in the last eight years: Of over 19,000 employees (2017), just under 10,000 remain today. (Half a century ago, there were more than 40,000 in West Germany alone).

At the headquarters in Rüsselsheim, including production, development and administration, there remain no more than 8,000 employees. In recent years, the forge (around 200 employees, discontinued in 2021), toolmaking (over 200 employees, discontinued in 2021), CAD technology (100 employees, discontinued in 2024) and the transmission plant (200 employees, discontinued in 2021) have been shut down.

In production, the longstanding two-shift operation was reduced to a single shift in December 2024, and around 40 percent of employees are temporary workers who can be laid off at any time.

Around 1,000 workers are still employed at the Kaiserslautern engine plant, and around 1,100 workers are still building the Grandland SUV at the Eisenach plant in the German state of Thuringia; ten years ago, 1,850 workers were employed in Eisenach.

For years now the Stellantis Group has been attacking jobs and social benefits at its plants. When the group was founded in 2021, then-CEO Carlos Tavares, one of the highest-paid managers in the world, promised that the restructuring would take place “without plant closures and without compulsory redundancies.” He was supported in this by the respective trade union leaders, in Germany by the head of the works council Wolfgang Schäfer-Klug.

Since then, however, almost 100,000 of 281,000 jobs have been cut. The global corporation currently states that it will have 189,512 employees in 2025, while the so-called “value added,” the turnover per employee, has increased overall despite a current net loss: From 530,000 euro in 2021, turnover per employee has increased to an expected 740,000 euro (2025).

The Segula insolvency is also the tip of the iceberg for the entire German automotive and supplier industry. Automotive service providers such as Bosch and ZF have announced massive job cuts, and groups such as VW and Mercedes are cutting jobs. Daimler Truck—just one of the more glaring examples—plans to cut 5,000 jobs in the sites in Wörth and Gaggenau, which will also affect hundreds of jobs on the French side of the border. Just since the beginning of 2025 the employers' association Gesamtmetall has recorded a reduction of 60,000 jobs in the metal and electrical industries.

And as is usual in the entire automotive and metal industry, the so-called “employee representatives” from the IG Metall union are indispensable when it comes to job cuts. They have helped to draw up and then signed the redundancy plans practically everywhere they represent workers, often before even informing the workforce, and see their most important task as preventing any expression of resistance from workers during implementation. The Segula insolvency again throws a spotlight onto role the unions play in this.

At Segula, the union stands among those most responsible for today's misery. During the takeover by the PSA Group eight years ago, the works council and IG Metall agreed to a three-stage process to cut 2,000 jobs at the development center and bring in Segula. Employees were put under pressure to either take the redundancy payments or switch to Segula.

Today, Segula's “insolvency in self-administration” is not, as officially claimed, intended to assure an “orderly and secure restructuring process.” The company has no intention of continuing to operate the two sites in Rüsselsheim and Rodgau-Dudenhofen. The insolvency serves to circumvent its legal and collective bargaining obligations and to avoid the six-month notice period and severance payments for long-serving employees.

It also puts an end to the policy of bridging periods of low orders with reduced work hours. All the promises made by works councils and IG Metall officials that any job cuts would be “socially responsible” are bursting like soap bubbles.

Even the current policy of “socially responsible” job cuts means that temporary workers who have no protection against dismissal are always fired first, and then older employees are forced out of the company through severance payments and early retirement schemes. This inevitably leads to poverty in old age as a result of lower pensions. At the same time, more and more jobs that are subject to social security contributions and are reasonably well paid are being destroyed and thus made inaccessible for the younger generations.

As the example of Segula shows, today even these downsizing models have been exhausted. More and more employees understand that it is now all or nothing and that they only stand a chance if they see themselves to be part of the working class and take up the fight independent of IG Metall. They are confronted not only with shareholders and managers, but also with a trade union bureaucracy that is paid handsomely for its services in suppressing the class struggle.

In politics, they are confronted with the government of Chancellor Friedrich Merz, which has embarked on a course of rearmament and war in Germany and that supports the horrific genocide in Gaza. The Social Democratic Party (SPD) is a prominent part of this government, and IG Metall, closely linked to the SPD, fully supports this war course.

The International Workers’ Alliance of Rank-and-File Committees therefore calls on autoworkers to join forces in the struggle for wages and jobs worldwide and to combine this with the fight against war. In globalized production, their allies are not the trade union leaders and national management, but their colleagues all over the world!

In reality, affected workers at Segula are already part of a global pool of colleagues in the automotive branch. Segula itself is the German subsidiary of the French technology group based in Nanterre, which operates a total of 140 branches in more than 30 countries worldwide with 15,000 employees (around 1,000 at eight locations in Germany). The Stellantis Group employs almost 200,000 people worldwide, and more than 400,000 including temporary workers and suppliers. Stellantis owns the plants of Chrysler, Fiat, Peugeot, Citroën, DS, Opel, Vauxhall, Alfa Romeo, Dodge, Jeep, Lancia, Maserati and Abarth.

While shareholders, top managers and trade union bureaucrats ensure that the costs of tariffs and restructuring such as e-mobility and AI are passed on to employees, workers themselves are constantly being put under further pressure. Ruthless methods are enforced in the factories, leading to dangerous situations in the workplace.

This is exemplified by the death of Stellantis worker Ronald Adams Sr. The 63-year-old machine mechanic was killed on April 7 at the Dundee, Michigan engine plant when an overhead crane suddenly activated and crushed him against a conveyor belt. This was the second fatal accident at Stellantis (USA) in seven months. The International Workers Alliance of Rank-and-File Committees has therefore launched an independent investigation into Adams’ death.

Rank-and-File Committees are founded on the clear principle that the rights of workers to jobs, health and a decent standard of living must take precedence over the profits of managers and shareholders. We call on all employees of Segula, Stellantis and the entire automotive and supplier industry: Support the establishment of independent Rank-and-File Committees!

Fill out the form below and take part in building Rank-and-File Committees so that workers and employees can take control of safety and production themselves! Your data will be treated confidentially and is protected.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact