

German auto supplier ZF: IG Metall trade union and management plan drastic cuts

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Just one month ago, the IG Metall trade union and the works council at ZF organized nationwide protests, involving 12,000 employees, against planned job cuts. Now union officials are planning the cuts together with the ZF executive.

While ZF workers demonstrated their readiness to fight for their jobs, the protests merely served as leverage for the works council and IG Metall to become involved in the development of the restructuring program.

“On the sidelines of a supervisory board meeting,” reported *Wirtschaftswoche*, the ZF works council led by Achim Dietrich and IG Metall, whose district official in the state of Baden-Württemberg, Barbara Resch, is deputy chair of the ZF supervisory board, drafted a document together with the company executive. The grandly named “Alliance for Competitiveness and Job Security” is due to develop proposals by the end of September.

Anyone familiar with IG Metall knows that workers will foot the bill for more than doubling the company’s profit rate in the wake of the crisis.

ZF CEO Holger Klein had already initiated far-reaching cuts last year. The company is suffering from stagnating orders, a hesitant transition to electro-mobility, and the US tariffs. Since the beginning of 2024, 11,200 of more than 168,000 full-time company jobs have already been cut worldwide, including 5,700 of the more than 54,000-strong workforce in Germany. In addition, partial retirement agreements have been agreed for a further 4,700 full-time posts in Germany, along with employees retiring as planned. Even so, this is not enough.

The ZF executive has plans to spin off or even sell the division for electric and hybrid passenger motors, the so-called “Electric Mobility Division,” which employs nearly 30,000 people, almost exclusively in Germany. Klein did not rule out layoffs for operational reasons and increased the pressure once again at the beginning of August.

In the first half of 2025, ZF generated €19.7 billion in revenue, or 10 percent less than in the same period last year. However, the main reason for this decline was the spin-off of the axle assembly division into the joint venture ZF Foxconn. Although earnings before interest and taxes increased from €780 million last year to €874 million, there was still a loss of €195 million. ZF CFO Michael Frick said the company would still be in the red at the end of the year. Last year, the company reported a loss of over €1 billion, following a profit of €126 million in 2023.

The attacks on jobs and wages that are now being worked out are intended not only to avoid losses, but also to boost profits. The ZF board has set a central target that each factory must achieve a profit margin of at least 10 percent. If this target is not met, closure or sale is imminent.

The profit rate currently stands at 4.4 percent in the first half of 2025. In the previous year, it was just 3.5 percent. The company, Germany’s second-largest auto supplier after Bosch, is now threatening to close not only its drive division plants, but also older plants with a high degree of specialization and comparatively low profit margins.

Workers at the company headquarters in Friedrichshafen on Lake Constance, and especially in Schweinfurt and Saarbrücken, fear massive cuts. Around 8,600 people work in Schweinfurt, around 5,900 of them in “Division E.” The local works council chairman, Oliver Moll, said at the end of July that up to 4,000 jobs could be lost. In Saarbrücken, more than half of the 8,500 jobs could go if parts of production are relocated to Hungary as planned by the board. No plant is exempt from the downsizing plans.

In the end, “it will not be possible without extensive concessions from employees, IG Metall, and works councils,” declared *Wirtschaftswoche*. A first sign of surrender by IGM and the company’s works councils is

the reduction in working hours for 5,500 employees in Schweinfurt, which takes effect immediately and will last until January 31, 2026. Employees will work only 32.5 hours per week without compensation. They had already done so between the beginning of December 2024 and the end of June 2025. According to works council chairman Moll, this saved the company around €20 million.

ZF, however, is planning to save billions, not just a few million. It is already clear how the IGM and works council bureaucrats intend to push through these massive cuts. The likely assurance that the “Division E” drive division will remain within the company and the waiver of “redundancies for operational reasons,” including promises to ensure non-closure of production locations, will be accompanied by massive job cuts and wage reductions.

Management and IG Metall have always attached great importance to the fact that ZF is owned by the Zeppelin Foundation of the city of Friedrichshafen and is not at the mercy of aggressive investment funds on the stock market.

Now, however, it is becoming clear that ZF is subject to the same capitalist laws as all other corporations. The workforce faces the same attacks as their colleagues at Volkswagen, Mercedes, Bosch and every other car manufacturer and supplier. The corporate management style, which until recently was emphatically “family-oriented,” is being abandoned and adapted to the necessities of brutal global competition. This is because the goal of the Zeppelin Foundation of the City of Friedrichshafen is, in addition to “exclusively charitable and non-profit purposes,” also the “preservation of the basic assets and the resulting dividend distributions,” as stated on Wikipedia.

The “preservation of the basic assets” now means that other methods and mechanisms are being introduced. The first sign is the departure of two managers from “Division E,” as reported by *Wirtschaftswoche* at the beginning of the week. Markus Schwabe, who was head of the Electrified Drive Technology business unit at ZF, left the company at the end of August after 23 years. And Julian Fieres, “chief strategist of Division E,” who recently participated in workshops with ZF supervisory board members on the future of Division E, is leaving ZF at the end of November.

Both positions will be taken over by Hassine Sioud, who has already worked for various auto suppliers and joined ZF in September last year. Sioud is expected to accelerate the restructuring of ZF, streamline management

structures and significantly increase “competitiveness”—in other words, reduce personnel costs.

The attacks at ZF are an expression of the international crisis in the auto industry. All over the world, jobs are being destroyed, social gains and democratic rights are being eroded, and the working class is under frontal attack. The money saved is being used to finance genocide, war and an insane military buildup.

While the German government is pouring hundreds of billions of euros into armament and war, the job massacre in the automotive, supplier, chemical, steel and other key industries is spreading. With their agreements to secure the future and location of companies, their social collective agreements, and transfer companies, the unions are ensuring that the job cuts go smoothly. They work to nip resistance to this process in the bud, and protests are organized merely to defuse growing anger. The affected workforces are divided and isolated according to location.

The German arms industry, on the other hand, is making fantastic profits. IG Metall has already made it clear that it will support the conversion of the auto and supplier industry to arms production. Last week, IG Metall district leader Thorsten Gröger, who agreed to the elimination of 35,000 jobs at Volkswagen last December, advised employees at the VW plant in Osnabrück, which is threatened with closure, to work for Rheinmetall. “Good work is always better than unemployment,” he said.

So, while jobs on which the livelihoods of hundreds of thousands of families and entire regions depend are being destroyed, all social resources are being poured into war and destruction. Under these conditions, the defense of jobs is inseparable from the struggle against war and capitalism.

This requires a break with the trade union apparatuses, which have become the henchmen of the corporations and unconditionally support the government’s war and rearmament policies.

We therefore call on all ZF employees and all workers to form independent action committees, controlled by workers themselves, to defend their jobs and network with colleagues around the world. Please contact us. Get in touch via Whatsapp at +491633378340 and register using the form below.



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