Crisis in the German auto industry: Layoffs, plant closures and insolvencies

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Not a day passes without grim tidings for workers in the automotive and supplier industries. The major manufacturers have announced large-scale job cuts in the high four- and five-digit range: Volkswagen, Mercedes, Bosch, ZF, Porsche, Ford, Audi and others. At the same time, hundreds of jobs are being lost daily at countless medium-sized companies.

The IG Metall union has over 2 million members—most of them in the car industry, and through its numerous works council representatives and shop stewards, it is fully informed about every development in the various factories. But instead of mobilising this industrial power against the mass destruction of jobs, it helps enforce these attacks against its own members.

The shelf life of studies on the expected job losses in the automotive and supplier industries is shorter than that of an unstable nucleide. When the German Economic Institute (IW) reported at the beginning of September, on behalf of the Federal Ministry for Economic Affairs, that a further 18,000 jobs would be eliminated in Germany by the end of this year and a total of 98,000 by 2030, that forecast had already been overtaken by reality.

Only last week Bosch announced the largest jobs massacre in the company's history: In Germany alone 22,000 jobs are to go, far in excess of the 9,000 jobs that had been originally slated for elimination.

According to the IW, 1.2 million people currently work for car manufacturers, their suppliers and other dependent companies. In forward-looking transformation areas—electrification, automation and connectivity—only 182,000 people are currently employed. Job creation is stagnating in that sector due to poor sales of German automakers' EV models. Meanwhile, the corporations are planning a U-turn, refocusing on their gas-powered cars. That may slow the wave of insolvencies and cuts temporarily, but it only means they will then resume the cuts later with even greater force.

The job cuts are being driven by falling profits. On 14 September, finance daily *Handelsblatt* reported—citing a sector analysis by consultancy EY—that profits at the world's 19 largest carmakers had fallen by 50 percent in the first half of the year compared with the same period last year (down 49.2 percent) but were still a respectable €42.8 billion.

Leading automaker Porsche has already issued four profit warnings this year, although it still is projected to record profits. Porsche's market capitalisation has halved since its stock market debut three years ago. That fact has enraged the Porsche and Piëch families, the owners of Porsche.

They want to keep growing their billions at the expense of autoworkers. That is why, like other shareholders and owners, they are demanding the destruction of jobs and further wage cuts to boost profits and sagging share values.

The victims are tens of thousands of workers, as the following incomplete list (with announcement dates) shows:

• **Bosch** (announced 25 September)—By 2030 at the latest, an additional 13,000 jobs will be cut on top of the 9,000 already announced in the Mobility division, mostly in Germany.

• **Stellantis/Opel** (25 September)—The Stellantis group is temporarily halting production at several European plants, including Opel's plant in Eisenach, Thuringia. Production will be "adjusted through a temporary closure on two days in October."

• **Kiekert Heiligenhaus** (25 September)—Lockmaker Kiekert AG, inventor of the modern central locking system, has filed for insolvency. The roughly 700 workers in Germany will receive insolvency pay until November; what happens afterwards is unclear.

• **Goodyear Fulda** (25 September)—On 30 September the Goodyear plant in Fulda will shut down for good after

125 years of industrial history. All 1,050 former employees of the tire manufacturer will by put out on the street.

• **ZF Koblenz** (19 September)—Supplier ZF announced last week that about 450 jobs will go at Koblenz by 2030. “The bulk of the remaining reductions should be completed by the end of 2026.”

• **Stabilus Koblenz** (19 September)—The pneumatic spring manufacturer is cutting 450 jobs worldwide and consolidating office and production space in Germany, US, Singapore and Thailand. The measures are to save €19 million by September next year.

• **MAN Salzgitter** (18 September)—An unspecified number, likely several hundred, of jobs will be eliminated through relocations or closures at the Lower Saxony site. The axle assembly, pipe and crankshaft operations are affected.

• **Ford Cologne** (16 September)—The Cologne main plant is moving from two shifts to one, with a further 1,000 jobs lost. Just two weeks earlier, IG Metall had pushed through cuts of 2,900 jobs.

• **Breyden Lollar** (12 September)—The brake disc maker is closing its site in Lollar, Hesse, with 230 employees this year. The foundry workers, once part of the Bosch empire, have feared for their jobs for over three years. Now the end is being targeted within months.

• **BorgWarner Darmstadt / Offenbach** (8 September)—The US supplier intends to cut nearly half the workforce at Darmstadt and Langen. “According to management, around 40 percent of [300] engineering posts (BTC) and 45 percent of [500] plant jobs are to go by January 2026,” reported IG Metall.

• **Musashi Hann. Münden / Lüchow** (8 September)—The Japanese supplier plans to cut headcount and close two German plants. Sales of forged parts produced by Musashi have slumped by 40 percent. Plants in Hannoversch Münden (Lower Saxony) and Leinefelde (Thuringia) will close; staff will be cut at Lüchow (Lower Saxony). Hundreds of workers are affected.

IG Metall has made it its business everywhere to push through the attacks and break workers’ will to fight.

The unions are actively working to isolate the affected sites, leaving workers to fight on their own. Union officials negotiate so-called “social contracts” that drive workers out of jobs via early retirement, part-time work for older workers, severance packages and the use of temporary employment companies. Even “compulsory redundancies,” the exclusion of which in the past unions always traded for massive cuts to jobs and wages, are now being implemented.

But workers are willing to fight. The ZF works council in Koblenz reports there was “a readiness to fight for the preservation of jobs.” But, as across the group—which aims to cut up to 14,000 jobs in Germany alone by the end of 2028—the works council and IG Metall refuse to wage common defensive struggles.

When union bureaucrats do respond with feigned anger to the announced attacks, they do so solely to blunt growing militancy. For example, while the IG Metall’s regional secretary in Darmstadt claims the works council and IG Metall will “not accept without protest the plans at BorgWarner,” nothing will happen—beyond a few whistle-and-placard protests or the tired, demoralising ritual of carrying cardboard coffins through the streets. The talk of “opposition” is never followed by concrete, effective resistance.

On the contrary, IG Metall and all the mainstream unions support the corporations’ attacks. Corrupted by lucrative supervisory board seats and works council posts, the bureaucrats share the view of top management and the shareholders: to safeguard profits, jobs must go and personnel costs—i.e., wages, bonuses, extras, sick pay, occupational pensions, etc.—must be cut.

Workers in the car industry must be clear: The IG Metall apparatus and its works council reps are on the other side of the barricades. Growing opposition must therefore be organised independently of—and against—the bureaucracy.

To that end, independent rank-and-file action committees must be built, bringing together all who truly want to fight and overcoming the fragmentation imposed by the unions across sectors and borders.

Production and all social resources must serve the social needs of the working class—the creators of all value—rather than the profit interests of the wealthy.

If you agree with this orientation, we call on you to contact us to put a stop to the relentless attacks. Fill out the form or send a WhatsApp message to +49 163 337 8340.