

German metal and electrical industry bosses threaten destruction of 300,000 jobs

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1 June 2026

The longer the war of aggression being conducted by the US and Israel against Iran lasts, the more aggressively corporations and governments are acting against the working class. In Germany, leading business representatives are already announcing the destruction of hundreds of thousands of jobs. At the same time, the government under Friedrich Merz (Christian Democratic Union, CDU) is taking the axe to the welfare state—or what is left of it.

The war against Iran is not an isolated development, but part of the ongoing violent global struggle for the redivision of the world between the imperialist powers. Governments in the European centres, above all Berlin, are reacting to this with massive rearmament programmes and the systematic preparation for direct participation in present and future wars. They aim to secure their share of markets, resources and geopolitical influence.

At the same time, the global consequences of this military spiral are exacerbating economic conflicts. Falling profit rates and increasing competitive pressures are driving the ruling class to pass the burden of the crisis onto the workers—especially in industry, where mass firings, rationalisation and site closures are the order of the day.

Last week, the president of the employers' association Gesamtmetall, Udo Dingreiter, declared in business daily *Handelsblatt* that 300,000 jobs were at risk in the metal and electrical industry in the coming years. At the same time, “around 300,000 jobs have already been cut since 2019.” With 3.8 million employees, this sector comprises around two thirds of German industry.

Previously, the German Chamber of Commerce and Industry (DIHK) had already sounded the alarm when it announced the results of its “early summer survey.” The DIHK, which represents the interests of more than 3 million companies in Germany, explicitly complained about the consequences of the Iran war.

“From expectations through to employment plans, all indicators are pointing downwards,” the DIHK said of its economic survey from 23,000 companies. Shortly after the start of the Iran war, there had not only been leaps in the prices of oil, gas and petrol, but also of building materials and plastics. DIHK Chief Executive Helena Melnikov said, “The cost

pressure now runs through almost all economic sectors. Many companies can no longer shoulder this burden.”

“We are stuck in a double crisis,” declared Melnikov. “The structural problems in Germany are compounded by the economic consequences of the war in the Middle East.” What the industry representative meant by structural crisis are “high labour costs, energy prices, taxes and bureaucracy.”

Industry's answer is clear: economise, economise, economise—and do it on the backs of the workers. Almost a quarter of the companies surveyed plan to reduce the size of their workforces.

This is particularly true in the auto and supplier industries. Only recently, the Association of the Automotive Industry (VDA) predicted that a further 125,000 jobs would be destroyed by 2035, after the car corporations had already cut 100,000 over the last seven years.

Companies such as Bosch, ZF, Continental and Schaeffler have initiated extensive cutback measures in Germany. Entire corporate divisions are being shrunk, spun off or smashed up. Only the most profitable areas remain.

For example, Continental sold off its auto supplier division in September last year, floating it on the stock exchange under the name Aumovio. Its industrial and plastics technology division (ContiTech) is still to be spun off. Under Continental, only tyre manufacturing would then remain, which is highly profitable. Aumovio, on the other hand, has announced that it will cut more than 10,000 jobs worldwide and close 10 out of 55 production facilities.

According to an analysis from Berylls by Alixpartners consultancy, turnover and profit margins have shrunk at the majority of the 100 largest suppliers to the auto industry in the world. The destruction of jobs was “unstoppable in the coming years,” according to Jan Dannenberg from Alixpartners. “The next three to five years will be bitter for the German supplier industry,” he predicts.

Only very few corporations actually made real losses, among them ZF Friedrichshafen. But shrinking profit margins, from an average of 5.8 percent in 2024 to 5.2 percent last year, according to Alixpartners, were reducing profits, i.e., the billions that end up in the bank accounts of the super-rich via dividends and equity holdings.

The latter increased their wealth in Germany last year like never before. There are now more than 5,000 people in Germany with over \$100 million in financial wealth; a year previously there had been at least a fifth fewer. These super-rich individuals own more than a quarter of Germany's total financial wealth of \$12.4 trillion. Including a further roughly 700,000 multi-millionaires, they even own more than half.

But this is still not enough for them; their greed knows no bounds. For example, Bosch, the world's largest supplier corporation, has announced the cutting of 22,000 jobs, citing a lack of orders and the decline in profits and returns as the reason.

At around €91 billion last year, however, Bosch's turnover was still slightly more than the previous year. The fact that its profits fell by a good 45 percent, from €3.1 billion in 2024 to 1.7 to 1.8 billion in 2025, was connected with the job cuts. The corporation spent around €2.7 billion on provisions to finance "restructuring measures," primarily severance payments for the 22,000 employees who are losing their livelihoods.

In other words: job cuts, wage reductions and work speed-ups are being enforced because profits and profit margins are coming under pressure due to the Iran war. So that the billions continue to flow into the portfolios of the shareholders and owners, hundreds of thousands of workers and their families are paying with their jobs and their social provisions.

The IG Metall union bureaucracy fully supports this course of action. In workplaces, its apparatus enforces the destruction of jobs, the wage reductions and worsening working conditions. At the political level, it supports the government under Chancellor Friedrich Merz (CDU) and his pro-war course. At the same time, the union executive board and its works council apparatchiks support the transformation of car plants into armaments factories.

At VW and Mercedes, these preparations are already well advanced. VW boss Oliver Blume said that talks with the armaments industry regarding the plant in Osnabrück were "promising." A decision would be made later this year. "If we can contribute to supporting armaments there with our know-how and our capacities, then we will do that," he said. For future armaments production, VW has now set up a special staff unit (Group Defence Office).

Meanwhile, Mercedes-Benz is conducting negotiations with the KNDS armaments corporation regarding the takeover of the plant in Ludwigsfelde near Berlin. Mercedes boss Ola Källenius said, "The world has become more unpredictable, and I think it is absolutely clear that Europe must strengthen its defence profile. If we could play a positive role in this, we would be prepared to do so."

On June 10, four top representatives of the corporations will meet in the Chancellery together with four functionaries from the German Trade Union Confederation (DGB) and IG Metall. Together with Chancellor Merz, Christian Social Union (CSU) boss Markus Söder as well as Social Democratic Party (SPD)

ministers Lars Klingbeil (Finance) and Bärbel Bas (Labour and Social Affairs), they will be discussing the coordinated preparation of the next wave of attacks on the working class.

Gesamtmittel President Dinglreiter has already openly stated the direction of travel and demanded a "genuine willingness to find solutions," meaning a comprehensive programme to increase competitiveness at the expense of the workers. This includes massive tax cuts for the corporations, further relief from employer social security insurance contributions, state-subsidised energy prices for industry as well as protectionist measures and punitive tariffs against international competitors, especially from China.

Under the pretext of "reducing bureaucracy," employees are supposed to pay with the dismantling of occupational health provisions and safety rights, with the lengthening and flexibilisation of working hours, as well as a further intensification of exploitation levels. And the funds that the government shovels to the corporations through tax cuts and reduced levies, as well as the exploding costs for rearmament and war, are to be cross-financed through massive cuts to social benefits and social insurance programmes.

With her Commission for Welfare State Reform, Labour Minister Bärbel Bas has already provided the prelude to a comprehensive cuts programme; and further attacks are imminent when the pension commission presents its proposals at the end of June.

Thus, financing war and the redistribution of wealth from those at the bottom to those at the top merge into a unified offensive against the working class. The profits of the corporations and the interests of the shareholders are being secured directly at the expense of workers' pensions, healthcare, education and social security.

Resistance against this cannot be conducted separately. The defence of jobs, wages and social rights requires conscious opposition to rearmament and war, because they are two sides of the same policy.

This is only possible if workers organise themselves independently, in rank-and-file action committees independent of IG Metall. These committees must organise resistance against job cuts, social cutbacks and war and, to this end, join the International Workers Alliance of Rank-and-File Committees.



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