

IG Metall union accepts closure of Mahle auto components plant in Neustadt an der Donau

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At the end of May, the IG Metall union accepted a “social collective agreement” to close the Mahle automotive supply plant in Neustadt an der Donau in 2027. IG Metall celebrated the plant closure and the loss of 400 jobs as a great success, on the grounds that it had achieved “a significantly improved financial safeguard” for laid-off workers.

The trade union apparatus has imposed the will of the corporation against a workforce which had been determined to fight for their jobs.

Mahle is one of the leading automotive components suppliers in the field of combustion engines. The company employs more than 64,000 workers at around 127 production sites, 11 research and development centres on five continents and maintains subsidiaries in around 30 countries. In Germany, the company employs almost 10,000 workers at 23 locations. The company headquarters in Stuttgart-Bad Cannstatt is the largest, with over 4,000 employees. In Neustadt an der Donau, the Mahle plant has been producing air conditioning systems for BMW, Porsche, Volvo and Jaguar/Land Rover since 1987.

In April, IG Metall claimed to have found out by chance that the company was negotiating with potential buyers to sell the factory buildings—which indicated the plant’s closure was in the works. From the end of April, the union organised warning strikes demanding a new contract, as the previous one had expired at the end of December 2025.

IG Metall knew that company management had decided to close the plant and would implement this. A press release following a two-hour strike on April 28 stated: “However, if the employer is not prepared to promise such a future perspective or to seriously negotiate it, IG Metall assumes that a winding down of the location is planned. In this case, IG Metall demands high severance payments, additional financial safeguards and a membership bonus for IG Metall members.”

Shortly afterwards, on May 12, Mahle announced the closure of the plant. The workforce was outraged and voted almost unanimously (98.4 percent) for an indefinite strike on 21 May. The strike, which the union bureaucrats did not want, began on 26 May and completely paralysed the plant for three days.

But instead of expanding the strike and organising genuine solidarity and unity with other workers whose jobs are under threat, the union officials eagerly continued to negotiate. Apart from a formal “solidarity visit” by selected union representatives, the workers in Neustadt were left on their own. By May 29, IG

Metall presented the collective agreement settling the final plant closure.

It provided for better severance payments, the amount of which depends on age and length of service, capped at €250,000. But this applied only to the 350 core workers, not to the roughly 50 agency workers. And even among the core workforce, the union and company have divided workers up. For instance, union members receive an additional bonus, for which a total of €3.25 million is earmarked. Here, too, the payout is based on the duration of union membership.

An interim employment company has also been agreed to. Instead of a severance payment, those affected can also choose a phased transition to retirement from the age of 60 with financial compensation.

This brings a process lasting at least three years to its end—for now. The basis for the closure of the plant in Neustadt had already been laid with the contract that the IG Metall central works council concluded with company management in August 2023.

At the time, the union praised the agreement for enabling a “completely new quality of *Mitbestimmung*” (so-called workers’ representation) and guaranteeing “active participation instead of just nodding along.” Since compulsory redundancies were ruled out, employees were to help shape and secure the future through “future teams” at their respective locations, the union said.

Central Works Council Chairman Boris Schwürz enthused at the time: “All locations now have the chance to secure their future.” To do so, “everyone must now intensively engage with the target vision processes and design future concepts.”

The various works councils diligently did this. Together with plant management, they enacted cuts and savings to increase profit in “their” plant.

Through supplementary collective agreements, they continually eliminated jobs via partial retirement, early retirement and severance schemes in order to save hundreds of millions of euros in material and personnel costs. Company management and the union apparatus implemented so-called “excellence initiatives” across the group.

The creativity with which the trade union apparatus and works councils implemented wage cuts and job losses was boundless. It ranged from unpaid overtime, to the reduction, postponement and suspension of contractually-mandated bonuses and unpaid training hours. Working hours were reduced at short notice without wage compensation, leading to a substantial loss of earnings.

In the end, Mahle, with the help of the union and its works council reps, saved many millions and cut 1,500 administrative jobs at the Stuttgart headquarters and several other production sites. Worldwide, the company cut around 3,500 jobs.

The true winners of this “future agreement” are the Mahle Foundation, as well as private investors who bought high-yield bonds. In the 2024 financial year, the company achieved an operating result of €347 million, despite significantly lower sales. In 2025, this figure rose to €442 million, while sales declined again.

Net debt was consistently reduced over this period, and the equity ratio increased. Arnd Franz, chairman of the Mahle Management Board, said at the press conference on the 2025 annual results in Stuttgart: “The work has paid off. The successes are measurable.” In view of the “persistently volatile and unpredictable market conditions,” Mahle remained in adaptation mode and was focusing on reliability and competitiveness. He warned: “We are rigorously continuing our ‘Back on Track’ efficiency programme.”

What is meant by this is obvious: further attacks on wages, working conditions and jobs.

Thus, the plant in Mühlacker (Baden-Württemberg), the group’s largest production site for thermal management products with around 900 employees, faces massive job cuts and even a possible closure.

Vaihingen an der Enz, with 350 employees, is also under threat. In both plants, a supplementary collective agreement governing workforce “transition”—a “future agreement” or *Zukunftstarifvertrag* in German—runs until the end of 2026. Among other things, all employees have a pay deduction equivalent to one hour’s work until the end of 2026 as a so-called “transformation contribution”.

In Mühlacker, workers in indirect services are being forced to take eight more days off in lieu of supplemental bonuses. Normally, the workers are allowed to choose one or the other.

In November 2025, Mahle boss Franz announced a further 1,000 job cuts worldwide, with many in Stuttgart, both in administration and in research and development. According to this, an additional €150 million must be saved globally each year.

The IG Metall executive board in Stuttgart immediately assured company management of its readiness to implement the plan. Detlef Schwoon, the trade union secretary at IG Metall Stuttgart, said: “IG Metall is always ready to negotiate future-oriented concepts and collective agreements with the employers.”

The companies appreciate this. Oliver Barta Managing Director of the Südwestmetall employers’ organisation said: “Having agreements between employers’ associations and trade unions is a great asset. Especially in increasingly tough global competition, collective agreements are a stability factor and also a competitive advantage. Ultimately, they ensure industrial peace.”

Trade union members are voting “with their feet.” In the last two years alone, nearly 121,000 members have left IG Metall. They are reacting to the fact that the trade union, under the dictatorial control of the bureaucracy, no longer represents their interests but has become a tool of the corporations. It implements savings programmes, wage cuts, and plant closures to increase profits at

the expense of the workforce.

More and more, the union apparatus is attempting to slow the decline in membership by agreeing to make bonuses contingent on union membership, as it is doing now at Mahle. Given the mass layoffs, this is more akin to protection money.

The Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) and the International Workers Alliance of Rank-and-File Committees (IWA-RFC) propose the formation of independent rank-and-file committees to oppose the IG Metall bureaucracy and its works council reps. Such committees will unite all workers—union members and non-members, core and agency workers—and establish contacts with workers in German and international plants. Only in this way can a joint struggle to defend jobs be successfully waged.

The cuts to relatively well-paid industrial jobs in exchange for severance payments—even if they are above average—must be ended. They will leave no adequate jobs for future generations, who will be forced to hop from one poorly paid backbreaking job to the next.

“If it is not to deliver itself to ruin, the proletariat cannot tolerate a growing section of the workers being transformed into chronically unemployed paupers, living off the crumbs of a decomposing society,” reads the 1938 Transitional Programme of the Fourth International. “The right to employment is the only serious right left to the worker in a society based upon exploitation.”

This is just as urgent today as on the eve of the Second World War. Today, workers are also being deprived of this right through mass layoffs.

Rank-and-file committees, uniting workers who want to fight back, will raise demands for a sliding scale of working hours and wages. If there is less work, whether due to fewer orders or the use of AI and automation, the available work must be distributed equally among everyone—with no loss in pay. In the same way, wages must rise when general prices rise, so that at least the standard of living is maintained, rather than sinking ever further.

The livelihoods and survival of the workforce take precedence over the profits of the owners, shareholders, banks and giant companies.

Workers must take their fate into their own hands. Contact us to start building rank-and-file committees. Send a message via WhatsApp to +49 163 337 8340 or fill out the form. We assure you of absolute confidentiality.



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