Porsche and IG Metall union agree elimination of a further 5,000 jobs in Germany

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Luxury sports car manufacturer Porsche announced last week that it would cut 5,000 jobs in its principal plants in the Stuttgart region alone, in addition to the 3,900 already destroyed last year. In total, the central works council, under the leadership of Ibrahim Aslan, has agreed to eliminate almost one in three jobs at the company's headquarters and main plant in Stuttgart-Zuffenhausen as well as at the development centre in Weissach.

The central works council, dominated by the IG Metall union, is being rewarded for its services against the workforce with new, lucrative sources of income. A jointly staffed "future advisory board," which will oversee the cuts through to 2035, offers additional posts for "deserving" union apparatchiks. The agreement was reached after months of secret negotiations between management and the works council.

Porsche's sports car division long enjoyed the reputation of being the Volkswagen Group's "cash cow." For years its annual profit margins ran at 14 to 18 percent, while the group as a whole only achieved 5 to 8 percent. Despite its comparatively small share of overall turnover, Porsche consistently contributed 25 to 30 percent of the VW Group's operating profits. Now the crisis has reached Porsche too. Last year its profits collapsed to €413 million, down from €5.64 billion the year before.

The jobs, wages and working conditions of the workforce are now being sacrificed to replenish the flow of money into the pockets of the major owners, the Porsche-Piëch clan.

Workers are to forgo a total of 3.5 percent of current and future collectively agreed pay rises through to 2035. The Christmas bonus is being cut from 100 percent of a monthly salary to 60 percent. The annual profit-sharing payment will in future depend on "company performance and profitability" and has been cancelled for the 2025 financial year. In 2023 Porsche had still paid up to €9,690; in 2024 it had been up to €5,250.

To raise productivity, IG Metall agreed to a drastic worsening of working conditions on the assembly lines. Breaks are being cut and workloads increased. The so-called "Steinkühler breaks," won by the workforce in a two-week strike in 1973, are either being abolished entirely or restricted. They previously granted assembly line workers a mandatory break of 5 to 7 minutes per hour—also agreed is a further increase in workloads through the shortening of the "takt time," which means fewer production workers must build vehicles faster.

In other areas, working from home options are also being curtailed. In future employees will be permitted to work remotely for a maximum of 8 rather than the previous 12 days per month.

IG Metall has also negotiated a special bonus with Porsche that applies only to its own members and not to members of other trade unions or non-unionised workers. While all employees will receive a "transformation bonus" of €1,500, Porsche will top up this one-off payment for IG Metall members to €1,911. In addition, IG Metall members will receive one day's extra holiday per year and an annual non-cash voucher worth €200.

It would be difficult to demonstrate more plainly the role of the trade union apparatus as an extended arm of management. To prevent members from resigning because they are no longer prepared to pay 1 percent of their gross salary in membership dues to an organisation that openly defends the other side's interests, IG Metall is luring them with "special bonuses." IG Metall is trying to maintain its stranglehold on the workforce and the inflow of membership dues, with such membership "perks," which are increasingly being financed by the VW group through the special bonuses.

Porsche chief executive Michael Leiters stated openly that the current agreement has initiated a long-term process of cost-cutting at the workforce's expense.

Announcing the "Sportwagenschmiede 35" strategy, a long-term corporate restructuring and realignment program through 2035 aimed at focusing on core sports cars, improving profitability, and streamlining operations, Leiters says, "Now we must deliver together."

Central works council chairman Ibrahim Aslan praised the deal he had played a leading role in negotiating with the usual arguments claiming it meant "securing production sites until the end of 2035," the "exclusion of compulsory redundancies" and investment of €2.1 billion. But these are lame excuses, as demonstrated by the plant closures at Opel, Ford and many suppliers, and the threatened shutdown of four VW and Audi plants. Pay restraint and "socially acceptable" job cuts do not secure a single job.; they just bring plant closures closer and undermine workers' capacity to fight.

Moreover, the investment commitments at the Porsche sites in Zuffenhausen and Weissach, presented by IG Metall and the works council as a success, are, to a considerable degree, being financed by the workers themselves through their losses in pay and benefits. Yet Aslan boasted: “We are once again looking forward—for the permanent workforce and for the Porsche brand.”

The fate of the Leipzig plant, where 4,600 people are employed, is a matter of indifference to Aslan. The plant was not included in the negotiations and operates under its own collective agreement. Despite the security of plant supposedly running until 2030, the Leipzig works council agreed in June 2026 to the elimination of 200 permanent employees, while the contracts of several hundred agency and temporary workers were either terminated or not renewed.

As negotiations over job cuts were under way in Stuttgart at the beginning of July, tens of thousands of Porsche and Mercedes employees protested against the cutback plans, and workers also demonstrated outside the Porsche plant in Leipzig, demanding transparency about its future. Porsche wound down production of the combustion-engine Macan model in Leipzig this summer and Leipzig workers are still left empty-handed.

Porsche’s programme of cuts is no isolated measure; it is part of the comprehensive attacks by the VW parent group on its workforce as a whole. At the end of June, it leaked out that Volkswagen was planning the elimination of 100,000 jobs and the possible closure of four plants in Hanover, Zwickau and Emden as well as the Audi plant in Neckarsulm, affecting a further 40,000 employees.

Oliver Blume, who took over as Volkswagen Group chief executive in September 2022, was simultaneously chief executive of Porsche AG from October 2015 until the end of 2025. In his dual role as group chief, he demanded the Porsche and Audi subsidiaries implement “efficiency” programmes.

In February 2025, Blume, with the support of the IG Metall-dominated works council at Porsche, devised a cuts programme intended to achieve savings of €5.7 billion by 2035, which led to the first massive round of job cuts, amounting to 3,900 posts. Then 1,900 employees were pushed out, and the fixed-term contracts of a further 2,000 were not renewed. IG Metall praised this job reduction as “socially acceptable” and claimed it was based exclusively on voluntary departures and part-time early retirement. Compulsory redundancies had been avoided, it said.

In July 2025, Blume warned, “The situation remains serious,” launching negotiations on the second cuts programme, which was then concluded by his successor Michael Leiters.

And this is only the beginning. Last week, Porsche published its 2026 half-year results. Despite a fall in vehicles sold compared with the first half of 2025, the company increased its operating result from €1.01 billion to 1.38 billion. Nevertheless, Leiters declared, “But there is still a great deal of work ahead of us to position Porsche robustly for the challenging future.” Further cutbacks at the workforce’s expense are thus already baked in.

Porsche AG, with 42,000 employees worldwide, of whom around 26,000 are employed in Germany, is also impacted by the worldwide crisis of the automotive industry. The European car industry confronts a structural overcapacity resulting from falling demand and intense global competition, above all from China. Boston Consulting has calculated overcapacity of more than 20 percent, equivalent to 5.4 million vehicles, or the output of more than 35 assembly plants—a situation to which car groups across Europe are responding with plant closures.

A current study by the Fraunhofer Institute, commissioned by several industry, electrical engineering and business associations from Baden-Württemberg and Bavaria, estimates the number of jobs on the hit list by 2040 at 726,000. That is 40 percent of the current 1.6 million jobs in the European car and supplier industries.

This is a declaration of war on autoworkers, which the trade unions will do nothing to stop. In reality, “plant security” and “future packages” are mechanisms through which job cuts and plant closures are pushed through with minimal friction. With its nationalist politics, IG Metall has divided the workforce wherever it can, in order to satisfy the shareholders hunger for profits whilst simultaneously safeguarding the privileged status of its own bureaucratic apparatus.

The wave of redundancies in the car and supplier industries is swelling daily. Workers need their own independent organisations, free from any interference by the trade union apparatus. It is not possible to defend jobs when profit maximisation is placed above workers’ basic needs, as the IG Metall apparatus practises.

Moreover, the struggle to defend jobs must be linked with the struggle against war. The ruling elites are responding to the intensifying capitalist crisis with trade war and military war for the violent redivision of world markets. The German government is spending billions on rearmament to conquer overseas resources and new markets. The attacks on jobs, wages and social benefits are a consequence and integral component of this trade war and war offensive.

Workers must therefore build their own rank-and-file action committees against capitalist exploitation and war and link up with their colleagues worldwide. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) is fighting for the unity of workers across the globe.

Get in touch with us to take forward the building of action committees—at Porsche and throughout the auto industry. Fill in the form or send a WhatsApp message to +491633378340.