

Spring bargaining round in Austrian industry

As already reported in a previous information, the traditional collective bargaining round in Austrian industry (electro-electronics, chemical, textile, paper, and glass) for 130.000 workers started on 22nd March with the exchange of the demands by the joint negotiating unions PRO-GE and GPA.

The current collective bargaining round is under the impact of rise in cost of living, driven by energy and fuel prices. Austria's inflation rate rose 6.8 percent in March of 2022, the highest since November of 1981, following a 5.9 percent gain in the previous month. As a result, our negotiating team put forward a demand for a 6 percent pay rise, based on the average inflation of 3,9 percent over the last 12 months.

Electro and electronics industry- no result, insufficient employers' offer of 3,5 percent

Negotiations in the electro and electronics were broken off on April 4th due to the insistence on the employers' side to compensate only the rolling year-on year inflation of 3,5 percent.

Our negotiating team rejected the offer as insufficient, given the results of the past financial year, a good order situation and intensification of work due to a shortage of (qualified) workers. The demand for a 6 percent pay-rise remains in place. On April 28th, 29th and May 2nd meetings in companies took place to inform about the status of the negotiations and get the support of our workers for further action.

Negotiations in the electro and electronics industry will be resumed tomorrow on 6th May. This is the result of the continuous pressure we could build up at company level.

If no deal is reached until May 10th, then warning strikes will take place in the companies of the electro and electronics industry.

Textile industry- conclusion of first collective agreement in spring bargaining round: 4,5 pay increase

While negotiations in electro and electronics industry are stalling, on April 7th a first deal was reached for the 7.200 workers in the textile industry. Collectively agreed minimum salaries/wages will increase by 4,5 percent and actually paid out salaries/wages by 4,2 percent retrospectively from April 1st, 2022

In addition, at last 24th December will be recognized as a paid day off in the collective agreement.

Paper industry- conclusion of second collective agreement in spring bargaining round:4,9 percent increase of collectively agreed minimum wages

After a bumpy start, the social partners succeeded to conclude a collective agreement for 8000 workers in the paper industry. Collectively agreed wages increase by 4.9 percent, the actual wages by 4.75 percent or at least 120 euros.

In addition to wage increases, apprenticeship remunerations were raised. Apprentices in the paper industry will in future receive EUR 1,008.56 gross in the first year, EUR 1,260.71 in the second, EUR

1,386.78 in the third and EUR 1,903.66 in the fourth year of training. A phased plan was drawn up for the increase in the second shift allowance and the night work allowance. The former will be gradually increased to EUR 12 (+ 21.33 percent) by May 1, 2024, the latter to EUR 29 (+ 22.00 percent). There is also an increase of 4.75 percent in travel allowances. The effective date of the new collective agreement is May 1, 2022.

Chemical industry- conclusion of third collective agreement in spring bargaining round: up to 5,9 percent increase

In the fourth round of negotiations the social partners in the chemical industry concluded a new collective agreement, yielding a significant pay rise for 47000 workers in the sector.

Collectively agreed minimum wages will increase by 4.95 percent. Actual wages will increase by 4.75 percent, but in any case, by at least 120 euros. This applies to both the KV and the actual wages. Apprentice remunerations are set to increase by 4.95 percent.

In view of the record price hike of the recent months, the achieved pay increase will contribute to maintain purchasing power. The result was achieved due to the pressure on the employers by the works council conferences and staff meetings we as PRO-GE and GPA convened where the status of negotiations was presented to the workers in the sector and resolutions adopted in favour of eventual industrial action

Highest inflation in Austria since 1981

Inflation in Austria continued to accelerate from a high level in March 2022. The Consumer prices rose to 6.8% year-on-year base after 5.8% in February. Inflation was similarly high in November 1981 at 7.0%.

The transport sector increased by an average of 15.9% year-on-year and was thus still the strongest price driver, followed by housing, water and energy (ø +9.7%).

Fuels increased by 50.7% and household energy by 33.5%. For fuel oil a massive price increase of +118.5% was recorded. Gas prices also continue to rise significantly (+71.9%).

Electricity rose by 16.5%. Energy prices increased by a total of 41.3% year-on-year base (February: +25.3%)! Core inflation would have been 4.7%.

On average, restaurants and hotels also had to dig deeper into their pockets by 6.6%.

Food and non-alcoholic beverages increased in price by an average of 5.8%. For leisure and culture, prices rose by an average of 5.3%. Only prices for clothing and shoes remained almost stable (ø 0.1%).