

## **Collective bargaining campaign 2022 in German steel industry has started!**

After a period of careful analysis and intensive debates about economic situation and perspectives of the steel industry, both steel collective bargaining commissions (North-West Germany and East Germany) decided parallel on April 26, 2022 on the demand of the collective bargaining campaign 2022 for the German steel industry.

Taking into consideration the improved economic situation and perspective of the steel industry, which is characterized since 2021 by:

- Capacity utilisation and incoming orders of flat steel, construction steel and most stainless-steel producers are currently stable and at a high level. Many steel producers have already booked their orders until the third quarter of 2022.
- Cancelled orders from the automotive industry due to bottlenecks in semiconductors and cable harnesses have so far been compensated by demand for steel from other industrial sectors, like mechanical engineering and white goods.
- The situation for heavy plate producers has improved significantly and the slump for large-diameter pipe producers seems to be coming to an end.
- Raising raw material prices can be passed on well. Given rising steel prices and stable production, high earnings were achieved in 2021.

However, the members of the collective bargaining commissions have also taken into consideration increasing uncertainties as a result of the pandemic, rising energy costs and input material prices and the Ukraine war, when they decided on the wage demand.

The collective bargaining commissions' members decided the demand as follows:

- Wage increase of 8.2 per cent for all blue- and white-collar workers and apprentices for a period of 12 months.
- Extension of the collective agreement on securing employment.
- Extension of the collective agreement on partial retirement.
- Extension of the collective agreement, which regulates working conditions and use of sub-contracts for work and services (Werkverträge).

The implementation of a collective agreement for dual students and a collective agreement on transformation of the steel industry is still on the agenda due to a negotiation commitment from the negotiation result of March 2021.

The collective bargaining commission of North-West Germany voted unanimously in favour of the demand, while the East German bargaining commission voted in favour by a majority. Some bargaining committee members would have preferred a higher wage demand in view of the enormous profits in the steel industry and the fact that the last table-related increase was in 2019.

IG Metall's executive board approved the demand on May 8, 2022.

As expected, the steel employers' association reacted with rejection of the demand. Surprisingly, the employers made an initial offer in the first round of negotiations for the North-West German Steel Industry in Düsseldorf on May 13, which they repeated in the first negotiation for the East German steel industry in Berlin on May 17.

IG Metall today rejected the employers' offer as insufficient in terms of volume and structure. The offered lump sum of 2,100 euros for 12 months is clearly too little in volume and structure compared to IG Metall's demand of 8.2 per cent.

The steel companies are passing on the rising costs of energy and raw materials to their customers. The workers cannot do that. That is why the steel workers rightly expect a proper increase in wages. IG Metall had pursued a very responsible collective bargaining policy during the Corona crisis with the collective agreement in March 2021. Now IG Metall also expect this responsibility from the employers. The workers need social security - and that means more money.

Although the offer is insufficient, it was a completely unusual move of the employers to offer such a high sum in the first encounter. Normally an offer is not given before the second encounter and normally provocatively low. The fact, that the employers' association acted totally different now, is a clear sign that they fear industrial actions now. In a moment when they can still earn a lot money, they don't need disruptions. Nobody knows when the negative impact of the uncertainties put an end to making money.

Against this background, the negotiators of IG Metall addressed the demand to the employers to present a new offer in the second negotiation that takes into account the workers' expectation for a proper pay increase.

The second encounter will take part in North-West Germany on May 23 and in East Germany on May 24. The duty not to engage in industrial action ends at the end of May. Therefore, clear messages are needed now from the employers that they are really interested in a decent deal. If there is no decent offer from the employers by then, workers will fight for their demand.

Edited by industriAll Europe