

Electrical/electronics industry: PRO-GE and GPA demand a 12.9% pay increase.

Demands for improvements in working time:

- **additional days off, reduced working hours for shift work**

In the afternoon of March 8, this year's spring wage round in industry started with collective bargaining for the approximately 60,000 employees in the electrical and electronics industry (EEI). The average inflation rate relevant to the negotiation from March 2022 to February 2023 is 9.5%.

In view of the overall favourable economic situation with excellent order situation and profits and a still high inflation (in February monthly inflation rate reached 11 percent) the demand for a 12.9% wage increase was raised by the trade union negotiating team, consisting of PRO-GE and GPA.

Current economic situation in Austria

The Economic Research Institute (WIFO) expects economic output to increase by 0.3% in 2023, slightly more than assumed in October 2022. After strong economic growth in 2022 (real +4.7%) driven by exports and consumer demand, and a short downswing in winter, a slight recovery is expected to set in spring 2023. The global decline in demand is thus affecting economy in Austria. The inflation rate will decrease slightly to 6.5% in 2023 thanks to falling oil and gas prices, which means that inflation has peaked. The labor market is proving to be largely resistant to the economic downturn, with the unemployment rate rising slightly to 6.5% of the dependent labor force in 2023.

Production and order situation in the electrical and electronics industry- strong upward trend in 2021 and 2022

The electrical and electronics industry was characterized by a strong upward trend. In 2021, after three rather lean years, it was able to increase its production value by a remarkable +12.5% to around 20 billion euros. Order development was excellent. Order backlogs in 2022 were +31% above the previous year's level.

Earnings position excellent– profits more than doubled

Earnings development - measured both in terms of net income and EBIT - was very positive in 2021. The cumulative annual profit of the companies more than doubled in 2021 (+116%) and was also 88% higher than in the pre-crisis year 2019

Extra days off, reduced working hours for shift work, enforceable right to additional time off option

Apart from the core demand for a 12.9% pay rise, additional demands include the introduction of extra days off, depending on the length of the employment relationship.

- In concrete terms, there should be an additional day off after five, ten, 15 and 20 years of service.
- In the area of shift work, the weekly working time is to be reduced to 36 hours per week. I
- In addition, the trade unions are again demanding easier access for employees to the so-called time off option, in which the actual pay increase can be permanently converted into additional time off. So far, the employer can refuse this conversion without giving reasons, so there should be an enforceable right for the employees in the future.

- The new collective agreement with higher wages and salaries should come into effect on May 1st.

One-off payments are not a substitute for sustainable pay increases

The unions are expecting very tough negotiations in the coming weeks and are making it clear that sustainable wage increases and rise in apprentice incomes have priority this year. "We will only accept one-off payments as a possible additional component of a deal and never as a substitute for sustainable increases," the chief negotiators stressed. The lowest entry-level wage in the EEI is currently EUR 2,037.

The next round of negotiations will take place on March 31st.

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