

Austria – Spring bargaining well under way with focus on pay

April 2025

2025 spring CB round in Austria in chemical and electrical electronics industry as well as paper and pulp industry

Second Rounds for the Chemical Industry and the Electrical & Electronics Industry (EEI) End without result

On April 9, the second rounds of collective bargaining negotiations for employees in the chemical industry and the electrical and electronics industry (EEI) took place. Both negotiations were adjourned without a result after the employers failed to submit an offer for wage increases. However, both social partners agreed on an inflation rate of 2.76% as basis for further negotiations.

Economic background

Though inflation slowed down recently, it is still well above the 2.0% target set by the European Central Bank. Companies continue to face high material and energy costs, stagnating or declining demand and uncertain buyers. Austria's economy is now in its third year of recession, affected by the decline in industrial production in euro area and now US tariff policy. This is the reason why business call for wage moderation in the current spring bargaining round, while we from the unions' side hold against that strengthening purchasing power and stimulate demand will help to overcome the crisis.

In the chemical industry, PRO-GE and GPA have convened a nation-wide conference for our representatives in the companies (works council members) on April 10 to inform about the state of play in the current bargaining round. The next rounds of negotiations are scheduled for April 23 (chemical industry) and April 30 (EEI).

Decisive third round on April 30 (EEI)

PRO-GE continues to demand fair and, above all, sustainable wage increases. "The next round will be decisive. We demand a negotiable offer from the employers. If a collective agreement cannot be concluded in the third round of negotiations, we will decide on the next steps together with the works councils," announced PRO-GE chief negotiator Reinhold Binder.

Continuation of provision to convert pay increase in extra time off in electrical bargaining round

In addition to wage increases, PRO-GE and GPA are demanding that the allowance for the second shift be increased to €1.50 per hour and for the third shift to €5 per hour. Easier access to the six-week annual leave should also be made possible. Furthermore, the possibility to have pay increase paid out in extra time off. In 2016, the option was included in the collective agreement as a ten-year model. The agreement therefore expires with the conclusion of the collective agreement in 2025. The prerequisite for the implementation of the leisure time option is the conclusion of a voluntary works agreement between the individual employer and the works council. If such an agreement exists, employees have the option of converting the actual increase into permanent additional paid time off through individual agreements.

The new collective agreement is scheduled to take effect on May 1, 2025.

Chemical Industry: Second Round of Negotiations ended without any result

The second round of negotiations for the collective agreement for the approximately 50,000 employees in the chemical industry ended without results on April 9. The PRO-GE and GPA unions will therefore inform the industry's works councils at an Austria-wide conference on April 10 and discuss the next steps.

No Offer from Employers

"Although the talks have been constructive, an offer from the employers is still pending," criticized PRO-GE chief negotiator Josef Schernberger. "The well-qualified employees in our industry need a guaranteed wage increase. This provides security, which the business location also urgently needs to stimulate private consumption."

Framework legislation: Time-off option, sixth week of vacation, and "climate ticket"

Furthermore, PRO-GE is calling for the option to convert pay increases into time-off (time-off option) and an increase in allowances and bonuses, as well as apprentice salaries, above the inflation rate. Among other things, the framework legislation aims to ease the access six-week annual leave and to introduce the so-called climate ticket (a flat rate annual ticket, covering all public transport) for apprentices. The range of preventive health measures in companies is also to be expanded.

The next round of negotiations for the Chemical sector will take place on April 23.

The new collective agreement is scheduled to take effect on May 1.

Negotiations started in paper and pulp industry

The first round of collective bargaining negotiations for workers and apprentices in the paper and cardboard industry took place on April 10. Each side presented its ideas. However, there was little progress, and no offer from the employers has been made to date.

The employers argued that the pay increases of recent bargaining rounds harmed the competitiveness of Austrian companies. To restore competitiveness, we were urged not to place excessive expectations on this year's wage negotiations.

Furthermore, the employers' side pointed out that the US aggressive tariff policy has added another factor of uncertainty to the already existing problems of low demand, high energy prices, the Middle East conflict, and the war in Ukraine. This is another reason why we were called to place moderate demands.

The inflation rate relevant for the negotiations is 2.65 percent.

Demands from the unions 'side

- Increase in collective bargaining wages/salaries and actual wages/salaries, with special consideration for lower incomes.
- Allowance for an option to convert the actual increase in extra time off.

- Increase in apprentice wages, all allowances, and expense allowances by the percentage of the collectively agreed minimum wage increase.
- December 24th and the last working day of the year are fully paid days off

Edited by industriAll Europe