

# Hyundai's Indian Workers Continue Crippling Strike

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MUMBAI, India (AP) — Police arrested some 200 workers occupying a Hyundai Motor plant as a strike stopped the automaker's Indian production for a second day, the latest in a series of union battles that have pushed the nation's No. 2 carmaker to move some production to Turkey.

Hyundai spokesman Rajiv Mitra said police removed the workers from the factory shortly after midday Tuesday and arrested about 200. Talks between management and union leaders, which are being brokered by state labor officials, were inconclusive Tuesday and will resume Wednesday morning, he said.

The company has yet to restart production, but hopes to do so soon, Mitra added.

"No one wants to lose this kind of money," he said.

Hyundai says each halted day of production costs the company more than 2,000 cars worth 650 million rupees (\$13.8 million).

It is the fourth strike since 2008 at Hyundai's two adjacent plants in Sriperumbudur, outside the growing auto hub of Chennai, in the southern state of Tamil Nadu, the company said.

Hyundai is India's leading car exporter, having pioneered the model of making India a small car export hub which global auto majors like Ford, General Motors and Nissan are now trying to emulate.

Mitra said Monday that Hyundai plans to move European export production of its popular i20 compact from India to an existing factory in Izmit, Turkey by August.

"What triggered it is the labor problem," he said.

Turkey has other advantages, like reduced delivery time and lower taxes for its main export market, the European Union, he said.

Last year, Hyundai exported about 50,000 i20 compacts from India to Europe, more than half its total production of the car, he said.

Mitra said Hyundai has no current plans to relocate additional production, despite continuing unrest.

The honorary president of the Hyundai Motor India Employees Union, A. Soundararajan, told the Times of India that 400 workers occupied the factory

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Sunday midnight, and another 800 gathered outside after four more workers were dismissed Sunday. All shifts have been halted since then.

The union is pushing Hyundai to reinstate dozens of workers fired in the wake of violent protests and officially recognize it over an existing worker's committee, which it maintains is controlled by management.

Union leaders did not respond to requests for comment Tuesday.

Under an agreement brokered by the government in July 2009, Hyundai agreed to reinstate 20 of the 87 employees who were dismissed.

Mitra said the remaining 67 workers had damaged company property and beaten up guards and would not be rehired.

"If you take them back, it sets a strong precedent: Anyone can do anything and not get punished," he said.

Hyundai employs about 10,000 in Sriperumbedur directly and its suppliers employ an additional 40,000 people. Last year the company produced 560,000 cars in India.

India's fast-growing auto sector has been roiled by other protests.

Last fall, thousands of auto-parts workers, some armed with rocks and makeshift clubs, went on strike in Haryana state's Gurgaon, just outside the capital New Delhi.

The protests, which initially targeted better wages, spread after a worker at Rico Auto Industries, which makes gear and brake parts, was killed in the agitation.

The 45-day strike reportedly forced GM and Ford to temporarily halt production at factories in the U.S. and Canada.

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