

German Manufacturing Employers Offer 3 Percent Raise

Geir Moulson, Associated Press

BERLIN (AP) — Employers in Germany's key manufacturing industry on Wednesday offered workers a 3 percent pay increase over a 14-month period — an offer that their union swiftly dismissed as insufficient.

The employers' association, Gesamtmetall, said the proposed increase for some 3.6 million manufacturing workers across Germany would be backdated to April 1. Its proposal foresees a new pay contract that would run through the end of May 2013.

The IG Metall union, however, is seeking a 6.5 percent raise over one year. German unions have pointed to strong economic growth and workers' relative wage restraint in recent years as they call for big increases this year.

Last month, the ver.di union — which went into negotiations with the same demand — secured a pay rise totaling 6.3 percent over two years for some 2 million German public-sector employees.

IG Metall quickly said that manufacturing employers would have to do better.

"The indisputably good 2011 and the solid prospects for 2012 are, unfortunately, not at all reflected in the wage offer," said Oliver Burkhard, IG Metall's top official in the North Rhine-Westphalia region, where employers first announced their offer.

"Employees are entitled to a truly fair share in financial success," he argued. "They deserve more than 3 percent for 14 months. So this offer is absolutely insufficient for us."

IG Metall plans to consider an official response to the offer on April 24 and decide whether to stage limited "warning strikes," a tactic frequently used to increase pressure in German wage negotiations. Negotiations are due to resume May 11.

Germany's economy — Europe's biggest — suffered a deep recession after the 2008 financial crisis but has seen strong growth over the past two years. This year, growth is expected to slow.

"We must not forget what a deep crisis companies are coming out of," Gesamtmetall chairman Martin Kannegiesser said, arguing that it is important to ensure that firms are safe from any future crisis.

IG Metall also wants firms to agree to take on apprentices on an open-ended basis as a rule once their training is complete, rather than for one year as at present. Employers rejected the idea of such a rule in Wednesday's offer.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Source URL (retrieved on 12/17/2014 - 8:46pm):

http://www.impomag.com/news/2012/04/german-manufacturing-employers-offer-3-percent-raise?qt-digital_editions=0