

GM Holds 'Constructive' Talks With German Unions

Tom Krisher, AP Auto Writer

DETROIT (AP) — General Motors is making progress in restructuring its money-losing European operations and holding constructive talks with German labor unions, CEO Dan Akerson told shareholders on Tuesday.

GM's European unit has been losing money for the past 12 years, and like other automakers, faces grim prospects as much of the region slips toward a recession. The company has been trying to restructure the Opel and Vauxhall brands, which have too many factories and workers for the number of vehicles they sell.

Akerson ranked Europe at the top of GM's problems, but said the company has reached restructuring deals with labor unions in Poland and England and talks are going well in with powerful German unions. The company is discussing factory capacity cuts across Europe, Akerson said.

"It's our hope and expectation that we'll come to some sort of mutual understanding and agreement," he said before GM's annual meeting in Detroit.

GM's contracts with the unions prevent plant closures until 2014. In March, company-union relations were more contentious. The unions warned that they would not engage in restructuring talks on a local level. Union officials were not immediately available for comment on Tuesday.

Akerson told shareholders that GM expects to cut commodity costs through its new alliance with French automaker PSA Peugeot Citroen, and it plans savings by building more models off one vehicle architecture.

"We see a corner in Europe, but a lot of work to be done," he said.

Also at the meeting, shareholders voted to elect all 12 current GM board members, and added two new members. Directors received at least 93.7 percent of the votes cast. A dissident shareholder nominated two men for the board, but they received few votes.

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