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**Opening Statement from the Workers Group**  
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The Workers Group welcomes the opportunity to take part in this discussion on the Automotive Industry at a high level. We would like to congratulate the ILO for publishing the substantial paper Challenges and Prospects for the World Automotive Industry. This paper helps to set the context for this meeting and also highlights the key issues that the industry is currently facing and will address in the future.

The sector has been severely hit by the financial crisis and although there have been different levels of impact in each country, generally the industry has faced its toughest challenge in recent history. The paper also demonstrates that the sector has been shifting eastwards in recent times and the important role that both China and India will continue to play in the future.

The various responses to the crisis adopted by Governments, Employers and Trade unions have taken many different forms. But the one thing the crisis has provided is an understanding by many governments of just how important the sector is for employment, skills, innovation and GDP. This presents us with an ideal opportunity to put down the foundation for a sustainable industry in the future that would be more resilient to future shocks such as the global economic crisis.

Our members work in every level in the Automotive sector including engineering, and manufacturing workers, technical and management. They are involved at every stage from research and development, right through design, manufacture, assembly, testing, delivery and beyond. The industry is reliant on having a highly skilled and versatile workforce it is for this reason that we continue to campaign for greater recognition for the role workers play in this important sector.

For many workers in the industry the last year has been a difficult one that has been filled with uncertainty due to structural changes. We have seen a reduction in production output and have been faced with many difficult choices. There has also been the threat of plant closures and many jobs have been lost or are being replaced by different skills. Where ever possible we have been able to lessen the impact on workers by negotiating measures to keep plants open often at a cost to our members terms and conditions of employment.

Measures such as voluntary dismissals with compensation packages, reductions in weekly working time without compensation, introduction where possible of short-time work and the dismissal or removal of agency and temporary workers. In many countries Governments have also played a major role in trying to maintain employment in the sector, either by introducing schemes for short term working or by trying to stimulate demand.

We firmly believe that the involvement of workers in strategic decision making is a responsible and desirable approach for both employees and employers. Union involvement guarantees that employees are recognised as stakeholders with a long term interest in the success of the company, and also helps drive through changes with employee support which improve productivity and profitability.

We believe that the best practise is for employees to be involved before decisions are taken so that they are able to influence and shape options and arrive at a mutually acceptable outcome. This requires a relationship of openness, honesty and trust and gives life to the spirit and intent of social dialogue. Within this region we can find many examples where this approach is already established and helped during the crisis. But we can also find examples where this has not been the case and a conflict has been the result. One such example is Toyota in the Philippines where the ILO Freedom of Association committee still has received several complaints. In mentioning this complaint we do not wish to prejudice the work of this committee within the ILO. We do however hope to see a fair and equitable end to this issue which is acceptable to all parties involved. Another example is in Ssangyong Motor plant in Pyeongtaek where a failure to negotiate in good faith led to a confrontation between workers and management.

The wellbeing of the industry depends on the way in which workers are treated and how they view their work. Workers seek stability of employment, a challenge, a safe and healthy working environment, good career prospects and a feeling that their contribution is valued. It is also clear that the nature of the work our members undertake is changing, and will continue to change.

Although slight recovery trends are visible, it is likely that we are not yet through the trough and the pace of recovery very much depends on the country. Although artificial growth generated by some governmental stimulus packages has provided some relief for the industry. In the long run this may also lead to a renewed decline because of a slump in demand. We also recognise the need to ensure that the industry continues to operate on a level playing field and that stimulus packages should conform to WTO rules.

In the future the sector must also face up to new challenges such as climate change and new technologies. We believe that the sector must do more to invest in its key asset its people. The workers group will continue to argue for a much greater effort to build training and education programmes for workers. That way the industry will be well placed to prepare for the shift in skills that will not just affect large companies, but also affect the supply chain as well. Companies must approach the issue of skills and training in a comprehensive and strategic way to ensure that the industry is equipped for the challenges we have already begun to face. We believe there is no better partner on this journey than the trade union movement, no body else can claim to speak up for workers. That's why we will seek to build free and independent trade unions in every work place and thus guarantee a sustainable industry.