[Supply chain management](#)

Volkswagen union workers in Germany launch warning strike, threatening VW's supply chain

Thousands of Volkswagen workers at nine of the OEM's factories in Germany have begun rolling two-hour strikes after the carmaker announced [plans to close at least three factories in the country.](#)

IG Metall union called today's action on VW "warning strikes"

Source: IG Metall

Today's strikes (December 2) are being called "warning strikes" by IG Metall union's lead negotiator Thorsten Gröger. Threatening to further disrupt VW's supply chain through further strikes, he said: "If need be, it will be the toughest collective bargaining battle Volkswagen has ever seen."

The strikes follow VW Group's CEO Oliver Blume's comments stating that "decades of structural problems" within the company have compounded, leading to extensive cost-cutting measures being implemented.

While the strikes are not expected to last long, we know already that just one day of strike action can take at least seven days for the industry to recover from, meaning even today's "warning strikes" could disrupt VW and its supply chain for a week.

The threat to the supply chain in numbers

- **241,730** automotive and logistics union members were called upon by unions threatening strike action in the past 18 months in North America (including Teamsters, ILWU, UAW ILA).
- In Europe, **44,730** members were called on by German locomotive drivers' union GDL.
- **One day** of strike action takes at least **seven days** for the industry to recover – ***[Jessica Hanson](#)***, Bosch North America at ALSC Global 2024.
- **Three days** of strike action takes between **21-25 days** to clear backlogs – Everstream Analytics.

VW is not the only OEM in a precarious position at the moment. Weak consumer demand and increasing tariffs on EVs have been impacting carmakers in Europe. Back in June this year, after the European Commission decided to impose additional tariffs of up to 38% on Chinese EVs, VW Group found itself at risk of the tariffs through its largest joint venture in China, SAIC-VW. At the time, a VW Group spokesperson told *Automotive Logistics* that the timing of the EU Commission's decision was "detrimental to the current weak demand for BEV vehicles in Germany and Europe".

Read more: European Automotive Logistics Market Report 2024-2034

The spokesperson for the OEM had said that VW Group stands for an open and rules-based trade policy with free and fair trade, and open markets, but said that countervailing duties are "generally not suitable" for strengthening the competitiveness of the European automotive sector in the long term. The spokesperson said: "We reject them."

VW has also, like other OEMs, been hit by the rising cost of production and automotive logistics. Thomas Schäfer, CEO, Volkswagen AG said in October that factory costs are currently 25% to 50% higher than planned making German plants twice as expensive as its competitors.

Ultima Media's business analyst Daniel Harrison previously said the cost-cutting measures being sought by VW were not entirely unexpected. In 2023, VW agreed with its works council a €10 billion ($11.5 billion) cost-reduction programme, including a 20% reduction in 'administrative personnel costs.'

More updates to follow…