AB Volvo

Press Information

Volvo Powertrain signs agreement on shortening of work hours for collective-agreement employees

The Volvo Group's unit for engine and gearbox production, Volvo Powertrain, has signed an agreement with the local IF Metall trade unions in Skövde and Köping, Sweden regarding the shortening of work hours with subsequent income reduction. The agreement results in the cancellation of the layoff notices to 600 employees in Skövde and Köping issued on April 22.

The agreement with the local IF Metall unions in Skövde and Köping applies from June 1, 2009 through March 31, 2010. Work hours will be reduced by 20%, pay reduced by a maximum of 8% during the agreement period and the year's pay review will be postponed until March 31, 2010. The company also guarantees that no new layoff notices will be issued during the agreement period. In the voting carried out among IF Metall's members earlier this week, a majority of 86% voted in favor of the proposed agreement in Skövde and 93% in Köping. The agreement covers 2,450 employees in Skövde and Köping.

Volvo Powertrain signed an agreement on May 18 with the salaried-employees local unions in Köping regarding shortening of work hours with income reduction. The agreement, which covers 180 salaried employees in Köping, also includes the management group for Volvo Powertrain in Köping and as a result the layoff notices for 25 salaried employees issued in April 25 have been withdrawn. Negotiations are under way regarding an agreement on shortening of work hours for the other salaried employees within the company's Swedish division.

"The agreements on shortening of work hours are extremely important for us since it is then possible to retain expertise in the company despite the highly substantial reduction in demand," says Peter Karlsten, President of Volvo Powertrain. "As a result of this solution, we are better prepared when the market turns upward again."

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