51st IER Committee Meeting

24th November 2026

NATIONAL DEVELOPMENTS

1. ROUNDTABLE ON NATIONAL DEVELOPMENTS – By IER experts

- **<u>Collective agreements in the MET industries: recent outcomes</u>**

Collective bargaining in Spain operates on multiple levels. In the metal sector, there is a nationwide collective agreement that sets the general framework for labor relations, while specific matters—such as wages and working hours—are negotiated at the provincial level. This leads to significant regional differences.

The national collective agreement expired in December 2023 but remains in force until a new one is signed. Negotiations for its renewal are currently underway.

We are having difficulties reaching an agreement with the trade unions and our organizations. On the one hand, the national structure is highly complex, as we have 50 provinces with 50 different negotiators, which makes it difficult to reach a solution that satisfies all parties. On the other hand, trade unions are seeking to modify the current negotiation system by introducing economic issues into the national collective agreement, such as sector-wide salaries or working time regulation. Moreover, the trade unions want to introduce other matters into the collective agreement that fall outside the competence of the national level, as they belong to lower-level bargaining units.

All of this is delaying the signing of the collective agreement.

However, we are making every effort to reach an agreement as soon as possible.

There are 50 provincial collective agreements in the metal sector in total, and 17 of them were signed this year. These 17 agreements provide for an average weighted pay rise of **4.34%** and an average of **1,758.69 working hours per year**.

Across all agreements with economic effects in 2026, the average weighted pay rise is **2.93%**, and average annual working time is **1,748.51 hours**.

- **<u>Restructuring trends in MET industries with a particular focus on automotive sector</u>**

In 2025, Spain's automotive industry produced 2.27 million vehicles, representing a 4.3% decline compared with 2024. The sector remains under pressure in 2026: between January and September, production reached 1.68 million vehicles, 1.6% decrease compared with the same period last year.

Exports also remain weak. Between January and September 2026, Spain exported 1.43 million vehicles, down 2.3% year-on-year. Europe continued to account for around 92% of total exports.

In contrast, the domestic market is performing better, with over one million passenger cars registered by October 2026 (+6.2%). Electrified vehicles accounted for 24.6% of total sales, highlighting the growing shift towards electric mobility.

Regarding employment, the sector faces growing pressure from lower production volumes, weaker demand and the transition towards electrification. Several manufacturers and suppliers have undertaken restructuring processes, including collective redundancies, plant closures and workforce reductions, while others have introduced temporary lay-offs and production stoppages to adjust capacity and costs.

To mitigate the impact on employment, Spain has introduced a Sectoral RED Mechanism (Sectoral Employment Adjustment Mechanism), which allows eligible automotive companies to temporarily suspend employment contracts or reduce working hours through temporary lay-off schemes (ERTEs), instead of resorting to permanent redundancies. Extended until 31 December 2026, the mechanism aims to support the industry's industrial transformation while safeguarding employment.

- **AI and collective bargaining**

The regulation of AI and algorithmic management in Spanish collective bargaining remains **limited and not very detailed**, although it is gradually gaining ground through clauses on digital rights, information and consultation, privacy, equality, training and occupational health and safety.

The main issues being addressed, or recommended for inclusion in collective agreements, are:

- **Transparency and information:** informing workers' legal representatives about AI systems and algorithms that affect recruitment, performance assessment, promotion or termination of employment, including their criteria and how they work.
- **Human oversight:** ensuring human supervision and avoiding decisions based exclusively on automated systems, within the limits established by law.

- **Privacy and digital rights:** protecting personal data, privacy and the right to disconnect, while setting limits on the use of digital monitoring and surveillance tools.
- **Equality and non-discrimination:** preventing algorithmic bias, particularly in recruitment, promotion and performance assessment processes.
- **Training and employment:** promoting continuous training and reskilling to help workers adapt to changes resulting from automation and AI.
- **Monitoring and oversight:** some agreements provide for joint committees or observatories to assess the impact of these technologies on employment and working conditions.

- **<u>Information and consultation of workers as regards introduction of major changes in the workplace (AI or others)</u>**

In Spain, workers are usually informed and consulted about major workplace changes through their legal representatives, who defend their rights and interests. However, many Spanish companies, particularly SMEs in the metal sector, do not have employee representatives, making these processes more difficult.

2. ACTIVATION OF PERSONS FACING SIGNIFICANT BARRIERS TO ENTER THE LABOUR MARKET- For discussion

In June, a new working group was set up to discuss an employment plan for young people and the long-term unemployed. However, there has been little progress, mainly because the early elections called for 29 November have put many negotiations on hold.