NATIONAL ROUNDTABLE

DEVELOPMENTS IN COLLECTIVE BARGAINING

Due to the difficult economic situation in the metal industry, a two-year collective bargaining agreement below the inflation rate was reached in November 2025.

Conclusion 2025 (effective from November 1, 2025):

- **Actual wages and salaries** (Ist-Lohn bzw. -Gehalt) will increase by **1.41 %**.
- **Wages and salaries under the collective agreement** (kollektivvertragliche Mindestlöhne und -gehälter) will increase by **2 %**; advancement values (Vorrückungswerte) remain unchanged.

From November 2025 to June 2026, employees will receive either two additional two-day leaves or two € 500 one-time payments to support purchasing power. The exact arrangement will be decided jointly at the company level.

Conclusion 2026 (effective from November 1, 2026):

- **Actual wages and salaries** (Ist-Lohn bzw. -Gehalt) will increase by **1.9 %**.
- **Wages and salaries under the collective agreement** (kollektivvertragliche Mindestlöhne und -gehälter) will increase by **2.1 %**; advancement values (Vorrückungswerte) remain unchanged.
- **Apprentices' pay** will increase by **2.1 %**.

For the agreement taking effect on November 1, 2026, wage and salary adjustments were, for the first time, successfully separated from inflation, with an actual increase of less than 2 % already agreed upon.

RESTRUCTURING TRENDS IN MET INDUSTRIES WITH A PARTICULAR FOCUS ON THE AUTOMOTIVE SECTOR

Metalworking industry, including mechanical engineering and steel construction, metal products, and foundries

Structural changes in the metalworking industry

1. Investments are increasingly moving abroad

More than one in three companies plans to invest in a new production site in the next two years. However, 61% of these planned investments will be made outside Austria.

The main target countries are:

- Poland
- Germany
- USA
- China
- Czech Republic
- Italy

This shows a clear change compared with the past three years. Around half of the companies invested in expanding their sites during this period, and 64% of these investments were still made in Austria.

2. Employment growth is also moving abroad

In line with investment trends, future employment growth is increasingly expected to take place abroad:

- 60 % of companies expect employment to increase at their foreign locations.
- Only 15 % expect employment to increase at their Austrian locations.
- At the same time, 41% expect employment to decrease in Austria.
- Only 12% expect employment to decrease at their foreign locations.

This clearly shows that future growth and additional production are likely to take place mainly abroad, where companies are investing today. When global demand for industrial products grows again, these foreign locations are likely to benefit more strongly.

3. Cost increases put pressure on margins

The cost position of Austrian production sites has become much worse. In particular, labour costs have increased strongly in recent years. Additional costs from bureaucracy and higher prices for materials are also putting pressure on margins.

At the same time, companies report that they can only pass on a small part of these higher costs to customers through higher sales prices. As a result, EBIT margins in the industry have been falling for several years.

This trend is expected to continue. It gives companies a stronger economic reason to invest and expand in lower-cost locations abroad.

4. Employment trends show a structural change

Since 2023, employment in the metal technology industry has fallen significantly. By the end of 2025, around 10,000 jobs had already been lost.

This is different from earlier economic downturns. Even after the financial crisis, employment returned to its previous level within about two years.

Today, the situation seems to be more structural and not only linked to the economic cycle. The main reasons are:

- weak or declining demand in Austria,
- rising labour costs per unit,
- stagnant productivity,
- falling profit margins,
- increasing investment in foreign locations.

Cost competitiveness and weak investment

1. Strong wage growth is putting pressure on Austria as a business location

Collective wages in Austria increased by more than 30 % between 2020 and 2026, compared with only 21 % in the euro area. This difference of around 10 percentage points has a lasting impact on Austria’s competitiveness.

To close this gap, it would not be enough for future wage increases simply to follow the euro area. The cost difference built up over recent years would need to be reduced gradually over a longer period.

AI AND COLLECTIVE BARGAINING

Currently, there are no specific rules on AI in our sectoral collective agreements. However, the trade union has put forward specific demands on AI in the current collective bargaining negotiations for the Austrian petroleum industry. These demands concern the petroleum industry, not the MET industries. These are trade union demands and have not yet been agreed upon by the social partners.
Main trade union demands concerning AI

1. Transparency in the use of AI

- Employees should be informed when AI is used to create, analyse or evaluate content and data.
- AI-generated or AI-modified content should be clearly labelled.
- Works councils should be informed when AI is used to monitor or evaluate employees.

2. Human control over AI decisions

- Important employment decisions must not be based solely on AI.
- This includes dismissals, transfers, salary classifications and performance evaluations.
- A responsible person must review AI results and be able to change or reject them.
- Employees should have the right to challenge AI-based evaluations.

3. Sharing productivity gains from AI

- Employees should benefit from productivity improvements achieved through AI.
- Possible benefits include shorter working hours with full pay, additional paid leave, salary increases or bonuses.
- The implementation should involve the works council.

4. Training and upskilling

- Employers should provide training when AI or technological changes affect employees' tasks.
- Training should take place during normal working hours and be fully paid.
- The aim is to help employees adapt to new technologies and maintain their employability.

INFORMATION AND CONSULTATION OF WORKERS AS REGARDS INTRODUCTION OF MAJOR CHANGES IN THE WORKPLACE (AI OR OTHERS)

In Austria, information and consultation rights are already covered by the Austrian Labour Constitution Act (Arbeitsverfassungsgesetz — ArbVG).

1. Information and consultation on major workplace changes – Section 109 (1) ArbVG
Employers must inform the works council about planned major changes early enough and in sufficient detail for it to assess the possible effects and give its opinion. If the works council requests it, the employer must discuss how these changes will be introduced.

The law covers, for example:

- reductions in operations or the closure of all or part of a business;
- collective redundancies that trigger the statutory notification requirement;
- relocation of all or part of a business;
- mergers with other businesses;
- changes to the business purpose, facilities or work organisation;
- new working methods;
- significant rationalisation and automation measures;
- changes in the legal form or ownership of the business.

The introduction of AI can fall under these rules, for example where it changes work organisation or involves significant automation.

2. Consent for employee monitoring – Section 96 (1), point 3 ArbVG

Information and consultation do not automatically mean that the works council must agree to a change. However, its consent is required for monitoring measures or technical monitoring systems that affect human dignity. This can also apply to AI-based monitoring. Under this provision, the works council's consent cannot be replaced by a decision of the arbitration board.

3. Consent for employee data and assessment systems – Section 96a ArbVG
Consent may also be required for: automated systems that collect, process or transfer employee data beyond basic personal details and professional qualifications, subject to statutory exceptions; employee assessment systems that collect information not justified by the employee's work.

For these systems, consent can be replaced by a decision of the arbitration board. Whether consent is required depends on the system's actual functions and use — not simply on whether it uses AI.