



PRESS RELEASE

Chemical Collective Wage Agreement 2015

Stuttgart, March 27, 2015

2.8 percent for 17 months

- **Demography amount: EUR 550 for 2016 and EUR 750 starting in 2017**
- **Operational flexibility through a one-month wage freeze and a postponement option**

After nine regional and three central rounds of negotiation, BAVC and IG BCE have reached an accord in the wage dispute: remuneration for the 550,000 employees at the 1,900 plants of the chemical and pharmaceutical industries will rise 2.8 percent after a one-month wage freeze. The wage increase shown in the table applies starting in the second month, but if a company is having particular economic difficulties, it can be postponed for two more months. The agreement will run for 17 months. Moreover, the current demography fund for 2016 will be increased to EUR 550 per employee under a collective agreement, and to EUR 750 starting in 2017.

BAVC President Suckale: “Strong social partnership in the chemical industry”

“The social partnership in the chemical industry is strong, as has been shown again today,” explains **Margret Suckale**, President of the German Federation of Chemical Employers’ Association (BAVC). “This year’s negotiations were more difficult than last time because the parties were more divided, and because the economic and geopolitical environment is especially challenging. But in the end, the social partnership held together. Both sides were able to compromise. The agreement focused on the companies’ competitiveness as well as the employees’ interest in receiving a tangible rise in real wages. Additionally, we have also built on our leading role in issues of demography.”

Chief negotiator Hansen: “Unity after a sharp disagreement”

BAVC chief negotiator **Hans-Carsten Hansen** sees the agreement as a “fair compromise for the companies and the employees.” Hansen also says: “We negotiated hard and intensely. The employers reached the pain threshold.” Even during disagreements, which were sometimes very sharp, the two sides never lost sight of what is important. “We settled on an acceptable solution regarding the demography issue. The cost of the wage increase and demography contribution is affordable to the companies. With the longer duration and the flexibility at the beginning of the wage increase, this agreement is manageable for all the companies in the field.”

The wage package in detail:

Wage increase: after a one-month wage freeze, 2.8 percent for 16 months

After a one-month freeze, the wages for chemical workers will rise by 2.8 percent. Apprentice allowances will increase by a uniform EUR 40 per month. The wage increase will apply to the Hesse, North Rhine and Rhineland-Palatinate wage regions as of April 1, 2015. In the regions of Baden-Württemberg, Bavaria, Berlin (West), Bremen, Hamburg, Schleswig-Holstein, Lower Saxony and Westphalia, it will apply as of May 1, 2015. In the Saarland and East wage regions, the agreement will come into force on June 1, 2015. The regional wage agreements each run for 17 months and apply until the end of July 2016 or the end of August or September 2016, depending on when they came into effect.

Demography amount: EUR 550 for 2016 and EUR 750 starting in 2017

Moreover, the current demography fund for 2016 will be increased to EUR 550 per employee under a collective agreement, and to EUR 750 starting in 2017. It was agreed that the new demography amount can be used for all purposes of the "Working Life and Demography" wage agreement. The employees and the union also agreed to analyze the existing wage instruments of the "Working Life and Demography" wage agreement. The goal is to identify additional needs for action before the next round of wage talks. "The parties to the chemical industry wage agreement are thereby substantiating the value the issue of 'demography' has for them," says Hansen.

Flexible start to the wage increase

The wage increase will apply after a one-month freeze. Companies in particular economic difficulties (such as losses in the previous fiscal year) can postpone the wage increase for another two months. This added flexibility takes varying situations within the industry into account.

Source: BAVC "Die Chemie Arbeitgeber" March 27, 2015