

Long-Bailey writes to Greg Clark to demand guarantee of jobs for Vauxhall workforce

Shadow

Business Secretary, Rebecca Long-Bailey, writes to Greg Clark about potential sale of Vauxhall to Peugeot-PSA

The

Shadow Secretary for BEIS has today written to Greg Clark, Secretary of State for BEIS, urging him to guarantee that jobs and terms and conditions of the Vauxhall workforce will be protected in the event of the company's sale to Peugeot-PSA.

Rebecca

Long-Bailey has also requested an Urgent Question on the matter in the House of

Commons, which will be taken at 3.30 today.

On

the threat the proposed takeover poses to the UK workforce, Rebecca Long-Bailey said:

"These reports are deeply worrying to the 4,500 workers employed at Vauxhall's Luton and Ellesmere Port plants, and to the tens of thousands of employees in its retail, support and supply chain operations. PSA's history of axing jobs in the name of rationalisation are also concerning. Britain's automotive industry has become a world-leader by developing its skilled and highly-committed workforce and becoming more productive, not by ruthlessly driving down costs."

On

the implications of the proposal for the Government's industrial strategy, Rebecca Long-Bailey said:

"a

piecemeal, ad hoc approach will see our automotive sector lurch from crisis to

crisis as the uncertainties created by Brexit begin to take their toll.

Waiting

for car makers to go to the brink before offering them support is the very antithesis of an industrial strategy."

On

the need to give workers in the UK the same protections given to European counterparts, Rebecca Long-Bailey said:

“failure

to provide equivalent Government support to Opel’s UK sites as that seen in France and Germany, and to ensure full parity of treatment between Opel’s UK and French workers would be a betrayal of the UK workforce.”

Ends

Editors’ notes

– It
has recently emerged that General Motors is discussing the sale of Opel, which
includes Vauxhall, to PSA Group.

– 4,500
workers are employed at Vauxhall’s Luton and Ellesmere port plants, along
with
tens of thousands more who are employed in the retail, support and supply
chain
operations.

– These
jobs are under threat from the proposed sale, should Vauxhall cut back
production, a particular concern given the PSA Group has a reputation for
cutting jobs to rationalise production.

– The
French Government owns a 14% stake in PSA and the German government is
providing financial support to its Opel sites.

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The
full text of the letter is as follows:

Dear
Rt Hon Greg Clark MP,

I
am writing to request an urgent meeting to discuss reports that General
Motors
may be about to sell its European business, Opel, to PSA, the owner of
Peugeot
and Citroen brands.

These
reports are deeply worrying to the 4,500 workers employed at Vauxhall’s Luton
and Ellesmere Port plants, and to the tens of thousands of employees in its
retail, support and supply chain operations. PSA’s history of axing jobs in the
name of rationalisation are also concerning. Britain’s automotive industry

has become a world-leader by developing its skilled and highly-committed workforce and becoming more productive, not by ruthlessly driving down costs.

I understand that you met with PSA executives on 16th February and that the Prime Minister is due to meet PSA CEO Carlos Taveres shortly. I am keen to hear in detail what assurances they were able to give you about their plans for Vauxhall, and what you and your Government are doing to ensure that PSA do not turn their backs on Opel's UK workforce.

Like you, I welcomed Nissan's decision late last year to continue to invest in the UK, but argued at the time that all car manufacturers should be given the same assurances. Recent developments have underlined this point. It was reported over the weekend that PSA have now been given the same guarantees, but I remain concerned that a piecemeal, ad hoc approach will see our automotive sector lurch from crisis to crisis as the uncertainties created by Brexit begin to take their toll. Waiting for car makers to go to the brink before offering them support is the very antithesis of an industrial strategy.

This is particularly so given that the French Government owns a 14% stake in PSA. In light of predictions by analysts and industry experts that French workers will be left unscathed by any buy-out, and that job losses will fall elsewhere, including in the UK, it is hard not to worry that the British Government's hands-off approach is letting workers down. Even the German Government is providing financial support to its Opel sites, and workers in Germany are much harder to sack than those in the UK. Under such circumstances, failure to provide equivalent Government support to Opel's UK sites as that seen in France and Germany, and to ensure full parity of treatment between Opel's UK and French workers would be a betrayal of the UK workforce.

In the longer run, it is clear that the Government's Industrial Strategy Green Paper launched last month has done little to reassure manufacturers weighing up whether or not to stay in the UK after we leave the European Union. Urgent action is needed to encourage the reshoring of manufacturing supply chains and secure single market access for key exporting industries. Without this, there is a real danger that many of our finest manufacturers will fall victim to

new
import and export tariffs.

The
next few days will be critical in determining the future of Vauxhall in the
UK.
I would therefore be most grateful if you would agree to meet me as a matter
of
urgency to discuss what action you are taking to protect the jobs and terms
and
conditions of Opel's UK workforce. It may also be welcome to involve those
MP's
representing areas directly affected by this issue in our discussions for
example those members representing Luton and Ellesmere Port.

Yours
sincerely,

Rebecca
Long-Bailey

Shadow
Secretary of State for Business, Energy and Industrial Strategy