

"We have the pleasure to inform you about a **new collective agreement in the German Chemical Industry**, which has been agreed between BAVC and the IG BCE trade union today in Würzburg (Germany) after two full days of negotiations.

The agreement consists of regulations for **three main elements**:

- **wages and salaries**
- **new fund for transfer of apprentices into regular jobs during the crisis**
- **continuation of agreement on apprentice posts**

Due to the extraordinary economic situation, the old agreement on wages and salaries (which came to an end in March 2010) has been extended by 11 months until the end of February 2011 (the timeframe differs slightly from region to region; in some regions start date and end date of agreements are both one or two months later, but the duration is always similar). **Wages and salaries will NOT be increased**. Only a lump sum will be paid to employees in June 2010. This lump sum differs according to the situation of the employee and the company: lower lump sums for apprentices or part-time employees, higher lump sums for employees in shift work or for employees in companies which have not been affected by the crisis at all. The minimum lump sum in the agreement is 150 Euro, the maximum is 975 Euro. This lump sum will only be paid once in 2010 and has no permanent effect for following years. The lump sum payment can be modified at company level, which means social partners on company level (management and works council) can, for economic reasons, agree to pay a smaller sum or to pay it later.

Furthermore, the Social Partners will set up a **new joint fund to promote transfer of apprentices into regular jobs** during the current crisis. The German system of vocational education foresees usually three years of apprentice work (so-called 'dual system' in companies and schools). After these three years, the employment contracts of the apprentices come to an end and they have to ask for a new contract in a regular job. Because of the current economic and labour market situation, the level of apprentices who will be transferred directly into regular jobs is predicted to decrease. Therefore, IG BCE and BAVC will set up a new joint fund, which will pay up to 1,000 Euro per month and per apprentice transferred into a regular job for a maximum of one year to those companies, which will hire additional apprentices after their education (this covers roughly one third of the employment costs). To finance this fund, all member companies will pay once an amount equivalent to 0.1% of their total, yearly sum of wages and salaries into this fund (which will be a total of around 25 million Euro). This regulation is expected to initiate around 1,000 additional transfers into regular jobs per year and to run until 2012 (so-called '1,000 for 1,000' model).

In addition, BAVC and IG BCE agreed to continue the collective agreement on the **number of apprentice posts** offered by the Chemical Industry to young people leaving schools, which exists since 2003, until the end of 2013. The aim is to continue to offer on average 9,000 apprentice posts every year during this period."