



AB Volvo

Press Information

Volvo Powertrain Sweden signs agreement on shortening of work hours for salaried employees in Skövde

Volvo Powertrain has signed an agreement with the local PTK trade unions in Skövde, Sweden regarding the shortening of work hours with subsequent income reduction. The agreement results in the cancellation of the layoff notices to 30 salaried employees issued on April 22 this year.

The agreement with the PTK unions in Skövde applies from July 1, 2009 through March 31, 2010. Work hours will be reduced by a maximum of four working days per month and pay reduced by a maximum of 10% during the agreement period. Moreover, the salary level applicable following this year's pay review is being reduced by 3% and the amount converted to 12 non-working days. The company guarantees that no new layoff notices will be issued during the agreement period.

The agreement covers 400 salaried employees in Skövde. In the voting carried out among PTK's members yesterday, a majority of 86 % voted in favor of the proposed agreement.

Earlier, similar agreements were signed between Volvo Powertrain and the salaried-employee unions in Köping, and the IF Metall unions in Skövde and Köping. A total of slightly more than 3,000 employees of Volvo Powertrain in Sweden are now covered by agreements regarding shortening of work hours with income reduction. In total, as a result of the agreements, Volvo Powertrain has withdrawn layoff notices for 600 collective-agreement employees and 55 salaried employees.

Negotiations are under way regarding an agreement on shortening of work hours for salaried employees within Volvo Powertrain's Swedish division in Göteborg.

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