

General update APM Terminals Gothenburg labor issues

The announced strike actions issued by the Dockworkers Union came into effect Tuesday 15th November and will last until Friday 18th November at 11AM. There are no further announcement for industrial actions at present. After Friday, the action on blockage of overtime, new hire and restricted use of pool workers is in effect, and last until 31st December 2016.

Currently we receive many questions on why the position looks as it does, where the parties cannot agree. We will in this newsletter explain this as well as give an update of the situation.

The history

Swedish Port Association has since many years a collective bargain agreement (CBA) with the Transport Workers Union that covers all ports in the Sweden. APM Terminals (APMT) has signed and is bound to this agreement. Later, the Dockworkers Union was formed and have members in several Swedish ports, but do not hold any CBA with Swedish Ports Association. The demand from the Dockworkers Union, section 4 (Hamn4an), for an own CBA is far beyond the current CBA with Transport Workers Union. APMT will be in breach of the current CBA by making any type of agreement with Hamn4an. The strike actions is a result of a loophole in the Swedish labor law. The party with the CBA cannot take industrial actions (fredsplikt), while Hamn4an without CBA can do this.

This is why the issues can only be solved centrally via Swedish Port Association. APMT is not the party to sign or agree on CBA's, this is between the unions and Swedish Port Association.

The main issues at stake, and the reason why APM Terminals Gothenburg have difficulties in meeting the demands, is that the demands from Hamn4an is far beyond normal Swedish standards ("The Swedish Model"). The demands would continue to heavily restrict APMTs possibility to plan and lead the business, and meet higher expectations from customers and be competitive in the existing market.

The demands include

- To form negotiating delegations of the size considered necessary and to let the company finance these delegations.
- · A parallel safety organization at the workplace, competing with the

one that is operating in accordance with the Swedish laws and collective agreement.

• To further, and in addition to what is legally possible for any employer in Sweden, limit the company's mandate to schedule vacation periods, parental leave etc. for employees.

To clarify

- APMT is bound by a valid collective agreement with Transport
- APMT follow laws and regulations
- APMT takes safety and security very serious and has safety organization in place fulfilling all legal prerequisites

A status update

The terminal is open for business. We are running and lower capacity than normal due to the above-mentioned actions. For week 45, a capacity of 70% to normal, and in week 46, a ~30% cover of the normal volumes.

For our marine customers, we have handled all the commitments for these two weeks so far, and in several cases even managed to handle more than planned due to good productivity in the terminal.

For our rail customers we have been restricted in the number of trains we have been able to handle, due to the strikes. This has affected both import and export.

Our trucking company customers have also been restricted by the limited opening hours, but we have with very few exemptions managed to handle the trucks visiting the terminal.

Week 47

Since there are no further industrial actions notified, week 47 will business as normal, although with ban on overtime, new hire and use of pool workers outside normal working hours. We will hence be able to deliver almost the double in throughput compared to week 46.

Going forward

The dialogue will continue between Swedish Port Association and Hamn4an, since the strike has revealed the loop-hole in the Swedish Labor Law which only can be resolved on a central level. The only long-term solution is to have these issue strategic issues resolved at a central level. APMT cannot solve this as it covers all ports in Sweden and not only Gothenburg.

Want to read more?

This is what the Port Authorities and former owner of the terminal commented on the matter:

http://www.goteborgshamn.se/press/nyheter/kollektivavtal-men-ingenarbetsfred/

This is what the Transport Workers Union commented on the matter: http://www.transport.se/Press_aktuellt/20151/november2016/Uttalandeom-konflikten-i-APMT-Goteborg/

Best regards APM Terminals Gothenburg