

Update: Ole Wolff Yantai Fires More Workers

[Editor note: Ole Wolff Yantai continues to attack basic labor rights by more downsizing. The company took two steps to dismiss the workers. First, before the Oct 1st National day, they dismissed the first batch of workers. After the National day, they begin the second wave of dismissal. On October 8 2008 the company issued a letter to all the employees, announcing the decision of downsizing and accusing the workplace union as being responsible for that. For the moment the factory have around 78 workers left, and according to Zhang Jun, the consultant of Ole Wolff Yantai Trade Union, the company's target is to downsize to 30-40. The company did compensate those dismissed workers with severance pay according to the law, but it still refuses to pay back their labor insurance and housing fund which the company owes to them, and this is violating the laws. In addition to this is that the company still refuses to negotiate with the workplace union after the September 11 2008 meeting with OWYTU resulted in nothing because the company shows little commitment for a settlement. Attached is a photo of the letter. For more detail about the case please see Globalization Monitor's Report on the case "The Struggle of a Self-Organized Workplace Union in China".]

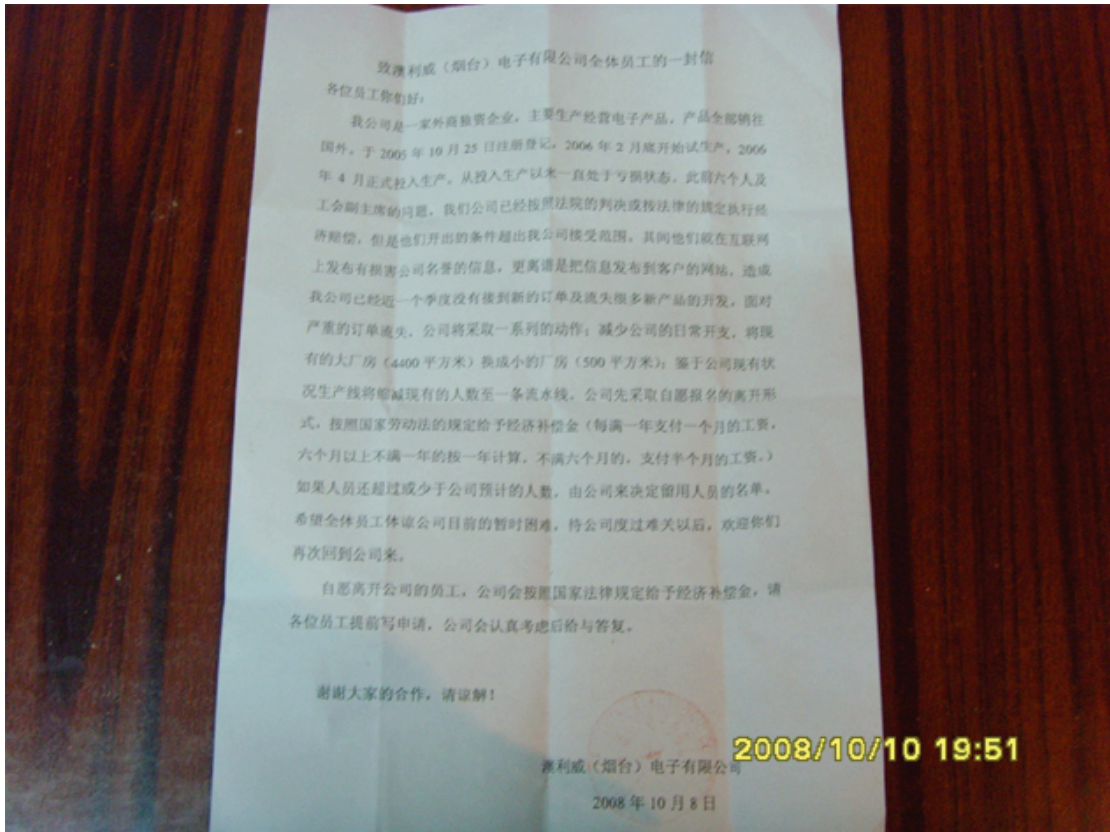
A Letter to all Employees from Ole Wolff Yantai Co. Ltd.

Our company was registered in Oct 2005, and since then we have been in deficit. Concerning the case of the vice chairperson of OWYTU and the dismissed six, we proposed to them a compensation package in accordance to laws and the verdict of the court, but their counter proposal is beyond our consideration. During this period they have posted messages to the internet to discredit our company. What is more outrageous is that they sent messages to our clients' websites, resulting in our loss of new orders this quarter, along with the loss of opportunity of developing new products. Confronted with such serious loss of businesses, we have to take a series of measures, including cutting expenditure and moving from the present building (4400 sq.m) to a much smaller one (500 sq.m). This implies we have to cut our workforce until only one assembly line is left. The company will ask employees to voluntarily resign, and we will pay them compensation in accordance to labor laws. (one month of wages for one year of employment; those having more than six months employment but under one year will be treated as one year; those having less than six months employment will be compensated for half a month wages). If the number of voluntary resignation exceeds or fall behind the expectation of the management, we will select those we want to keep. We hope you can understand our temporary difficult situation. When we overcome it we welcome you to come back. As for those who are going to leave us, we

will compensate them in accordance to laws. You are encouraged to apply for severance pay at your earliest convenience. We will make response to your application after careful consideration.

Ole Wolff (Yantai) Electronic co. Ltd.

October 8, 2008.



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