Line workers at GM’s unallocated Hamtramck plant are waiting. GM white-collar workers are waiting. Suppliers and their thousands of employees are waiting. All of these parties are waiting on a resolution to a strike that seemingly has no end in sight. We are now on day 23 of the UAW strike on GM, and talks between GM and the union “have taken a turn for the worse”, according to a message delivered on 6 October by UAW Vice President Terry Dittes to union executives, implying that the strike could go for a few more days, or even weeks.

To date, GM has lost nearly 165,000 units of production, as 15 of its 18 vehicle assembly plants are shut down. The two others, San Luis Potosí and Ramos Arizpe, may close this week due to a lack of parts. GM is currently losing over 10,000 units per day. Once the strike ends, it may still take up to a week to get the parts pipeline going again. So, we are likely looking at a loss of well over 200,000 vehicles.

Meanwhile, UAW members and their families have lost millions of dollars in wages. Suppliers are impacted, too. Lines are not moving, parts sit in warehouses and layoffs mount. Not to mention that their employees have had to go on unemployment, or have their wages reduced.

The strike on GM is not only impacting current production – some of which may be lost forever – but will likely impact future production as well. The longer the strike lasts, the greater the potential for delays to build-out and start-up timing, as part inventories need to be used and retooling must be completed. Notably, the much-anticipated mid-engine C8 Chevrolet Corvette is scheduled to launch in early December, with shutdown and retooling at the Bowling Green plant initially scheduled to begin in early October. Nearly 1,000 units of the current C7 have not been built as planned, so either the C8 launch will have to be delayed, or retooling timing compressed. Either option could cost GM dearly.

As the strike continues, a laundry list of issues remains at stake, including wages, job security, the use of temporary workers, benefits, pensions and signing bonuses. UAW members want to secure their future. But GM also sees the future – a future where current profitability will help them as the industry goes through a massive transition of environmental and safety regulations, electrification and autonomy. Given the stakes, this could be the most important negotiation in the over 80-year history of the UAW.

Talk is centred around wages, job security and UAW membership numbers, but all of this is under the umbrella of where GM – not to mention Ford and FCA – is going to be in the future and how that will impact the UAW. As the industry transitions, competition will become fragmented and numerous non-traditional startups will vie for a piece of the ever-shrinking pie. Partnerships will help cut costs and improve economies of scale, but to what extent will the UAW be part of that?

That being said, if I were part of the UAW leadership, I would try to hold on to as much as I could, as it will only get tougher on the Detroit 3 going forward. Sales in the US are expected to plateau in the 16.5-17.0 million-unit range over the next five years. However, as established and startup automakers add new SUVs, Pickups and dedicated electrified entries to the market, available models to customers are expected to increase by over 50 to a total of 410 model options. This will make it increasingly harder for GM, Ford and FCA to maintain volume – volume needed to keep plants running efficiently and, more importantly for the UAW, volume to keep bodies on the payroll.

On the flipside, if I were part of GM’s negotiating team, I would try to uphold the discipline of profits over market share, a discipline that ultimately led GM to unallocate the Lordstown and Hamtramck assembly plants. More cuts may be necessary as GM’s North American plant capacity utilisation is expected to be under 80%, averaging just over 200,000 vehicles annually at its 14 plants, not including the unallocated plants that may be back on the table once the negotiations have concluded. By comparison, Toyota’s utilisation rate is expected to exceed 90%, with its flexible manufacturing model producing 200,000 units at its 12 plants.

Both parties are aware of the risks that the future may bring, and both are digging in and refusing to budge on their positions.

This is why we are at day 23 of the strike. This is why we are all still waiting …