

Car makers give thumbs down to one-year NUMSA wage pact

By Karl Gemetzky

27 May 2016

Car manufacturers have rejected the National Union of Metalworkers of SA's (NUMSA's) demand for a one-year wage agreement, forcing the union to go back to the drawing board.



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A day after President Jacob Zuma and Toyota SA held an event to mark [a R6.1bn investment](#) in the Japanese car maker's Durban plant, NUMSA said it expected volatility in "the most important bargaining round for decades".

Employers, including seven global car manufacturers, told the union from the onset they would not accept a deal that would mean another round of wage talks in 2017. This was before responding to NUMSA's demands, which included a 20% wage hike, said Numsa deputy general secretary Karl Cloete.

A three-year deal in the sector expires in September. Unions and employers are expected to meet for talks in June. In 2013, a two-week strike during wage talks halted the country's assembly lines. In April, NUMSA resolved to ask for a 20% wage hike and a single year agreement. The union insisted on Wednesday that, even as the economy shed jobs, its members and the poor were facing doubledigit inflation. The union's members decided in April to push for a one-year agreement partly because of economic conditions.

In addition, it would give NUMSA time to grow the union ahead of a push to reorganise collective bargaining along value chains. The reorganising would help address reduction in worker power, caused by increasingly globalised and fragmented industries, said NUMSA.

But the union is also facing competition from the Liberated Metalworkers of SA (LIMUSA), which has accused NUMSA and Toyota SA of collaborating to prevent its recognition. LIMUSA general secretary Cedric Gina said on Wednesday a Commission for Conciliation, Mediation and Arbitration hearing to verify membership was scheduled for the end of May.

Gina claimed LIMUSA was making inroads at some vehicle manufacturers, but that bargaining required a majority at least at one manufacturer and his union did not expect to participate in this year's wage talks directly. The Automobile Manufacturers Employers Organisation - which represents Toyota SA, Ford SA, BMW SA, Nissan SA, General Motors SA and Daimler SA, as well as Volkswagen SA - did not immediately respond to requests for comment.

The National Association of Automobile Manufacturers of SA (NAAMSA) said earlier in May it expected 2016 to be a difficult year for the domestic market. NAAMSA said in its review of business conditions for the first quarter of 2016 that tough economic conditions were likely to put downward pressure on vehicle sales, with rand weakness expected to contribute to car price increases in the region of 12% to 15%.

Source: Business Day

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