

Transnet agrees 3-year wage deal with majority labour union

By Nelson Banya

18 Oct 2022

Transnet said on Monday it had agreed a three-year wage deal with the union representing the majority of its workers, ending a two-week strike that had hit commodities exports and piled up millions in losses.



Workers at South Africa's state-owned logistics firm Transnet demonstrate for a second week outside the Port of Cape Town as they continue on a nationwide strike action that could paralyse ports and freight rail services in Cape Town, South Africa, October 17, 2022. REUTERS/Esa Alexander

"Transnet and the company's majority union United Transport and Allied Trade Union (Untu) reached a three-year wage agreement today," it said in a statement, adding the deal would bring most of its employees back to work.

Untu members, who represent more than half of the company's workforce, went on strike on 6 October, demanding an increase linked to South Africa's year-on-year inflation rate, which was 7.6% in August.



Durban port hobbled by Transnet strike

Nelson Banya 12 Oct 2022



Transnet said it had agreed on a 6% wage increase for the current financial year, a 5.5% raise next year and a further 6% boost in 2024. The deal is effective from April 2022, it said.

"The company's priority in the immediate is clearing any backlogs across the port and rail system – prioritising urgent and time-sensitive cargo," Transnet said. Untu officials were not immediately available for comment.

A spokesperson for the South African Transport and Allied Workers Union (Satawu) told Reuters the minority union had not yet agreed to a deal with Transnet.

The strike has hobbled Transnet's freight rail and port operations including the Durban harbour, one of Africa's busiest, impacting mineral and agricultural commodity exports.



Transnet strike is bringing SA's economy to its knees

13 Oct 2022



Last week, the Minerals Council of South Africa said mining companies were losing R815m (\$45.27) per day in export revenue due to the strike, as major mineral export harbours were operating at between 12% and 30% of their daily averages due to the strike.

The strike also affected the horticulture sector as fruit exporters struggled to send produce to overseas markets.

ABOUT THE AUTHOR

Reporting by Nelson Banya in Harare, Editing by Promit Mukherjee, Matthew Lewis and David Evans.

For more, visit: <https://www.bizcommunity.com>