

## **Retail Motor And Component Industry Wage Settlement Agreement Signed**

**Randburg, Gauteng** – More than a week after the National Union of Metalworkers of South Africa (NUMSA) called off the strike in the retail motor industry, the settlement agreement has finally been signed by all parties on 15 October, meaning that it can be submitted to the Department of Labour for promulgation and extension to the entire industry.

Confirmation was received on Sunday, 6 October 2013 that NUMSA called off the industrial action in the retail motor industry, which started on 9 September and lasted four weeks. The end to the strike and the signing of the collective agreement means that the Retail Motor Industry Organisation (RMI) was successful in its bid to reach a multi-year wage agreement after protracted negotiations, which started in May this year. The RMI's negotiating team presented the final offer to NUMSA on Sunday, 29 September.

Following NUMSA's announcement on Sunday, 6 October, various meetings were scheduled between RMI and NUMSA via the Motor Industry Bargaining Council (MIBCO) to endeavour to resolve the impasse with regards to the signing of the collective agreement.

“This officially brings to an end 4 weeks of industrial action and months of bargaining. As much as the RMI is disappointed with how long it took to resolve the strike and in particular the impact it had on the industry and the economy – notably the component manufacturing, automotive manufacturing and service station sectors – we are glad that it has ended. The violence, tragic loss of life and injury to some staff as well as the loss in production, loss of employee wages and decline in

confidence from foreign investors all came as a direct result of the prolonged strike. The reported 75% drop in automotive exports and possible forfeiture of planned international investments in the local automotive industry bear testimony to this,” says Jakkie Olivier, CEO of the RMI.

“All these negative side-effects can now be rectified and as a whole, the industry can focus on recouping the loss in production in the sectors most heavily hit by the industrial action. In doing so we can attempt to return to a position where businesses in the retail automotive aftermarket and component industry can plan and forecast the future – at least for the next three years – without the threat of further disruptions and strikes.”

Olivier further states that what happened was unfortunate and that certain sectors in the industry and some individual employers benchmarked to force the entire industry of some 18 000 businesses and 280 000 employees to make unaffordable concessions which neither the automotive industry nor the national economy can afford.

“Hard work is now required of leadership and stakeholders to consider collective bargaining in the industry in order to avoid such damaging disruptions. I firmly believe that an industry stakeholderinda to analyse the events of the past few months, including the negotiations and strike action, and map the future is much needed. This would allow all stakeholders involved to find mutually acceptable solutions and cement the future stability of the industry,” he concludes.

The current settlement in the retail motor industry follows more than two weeks after a settlement was initially reached in the fuel retail industry on 27 September and the final employer settlement offer that was given to NUMSA on 29 September.

## KEY ASPECTS OF THE SETTLEMENT REACHED

### Wage Increases

Component Manufacturing Sector		All Other Sectors		Fu
Year 1	10%	Year 1	9%	Ye
Year 2	8%	Year 2	8%	Ye
Year 3	8%	Year 3	8%	Ye

### Implementation date

The official date of implementation shall be determined by the Minister of Labour by way of the promulgation, gazetting and extension of the Settlement Agreement. However, the agreement reached with NUMSA is that the component industry employers would have an implementation date of 1 September 2013.

### Peace Clause

The Peace Clause, contained in the Main Collective Agreement and initially challenged by NUMSA, has been retained. This means that there can be no further negotiations or demands at shop floor level until the expiry of the Agreement in 2016.

### Labour Brokers

Pending legislation by Government – that will regulate temporary employment services – will be implemented once promulgated, which is expected to happen in 2014.