



CONSOLIDATED EMPLOYERS' ORGANISATION

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SETTING THE RECORD STRAIGHT ON THE **LANDMARK VICTORY FOR SMMEs IN METAL SECTOR**

Dear CEO Metal and Engineering Sector SMMEs,

The following is a response to industry players attempting to deny the landmark victory of CEO for its members, where a new MEIBC Main Agreement has been agreed upon for CEO and its members. This agreement puts CEO and its members in a very fortunate and unique position, as set out below. It is unfortunate that there are some in the industry who continue to disparage the gains – thereby creating labour instability and business insecurity - without providing any other realistic and workable alternative for SMMEs in South Africa. CEO remains a voice of employers and especially SMMEs, in the Metal and Engineering industry. CEO would prefer to set the record straight for members affected by the agreement, and not be distracted by an obscuring of the facts by those parties who are sceptical and prefer to engage in defamatory and false statements against CEO and its members.

Please click [here](#) to view the New MEIBC Main Agreement.



THE FACTS REMAIN AS FOLLOWS:

- 1) The new MEIBC Main agreement for CEO and its members that has been surveyed, and mandated over months of communication, recognises the fact that Small, Medium and Micro Enterprises (SMMEs) have been left behind historically regarding no small-employer dispensation, which was largely unaffordable for small and upcoming businesses, until now. The New MEIBC Main Agreement does indeed allow SMMEs to phase in their wages gradually in a multi-phased manner.
- 2) The Exemption Processes, as a form of assistance towards members that cannot afford to observe the new Main Agreement, is only available currently to signatories. If a business cannot afford the new small-employer dispensation that has been agreed upon; CEO is able to assist those members with an exemption application as negotiated is regard (per Annexure J).

Per clause 23 of the New Main Agreement, CEO members will need to submit their exemption applications to the regional council offices, in accordance with Annexure J (page 276) of the New Main Agreement for CEO and its members, respectively, on the following dates:

- on or before 31 July 2022 for year 2 of the agreement; and
- on or before 31 July 2023 for year 3 of the agreement.

- 3) This agreement, with the trade unions, and other stakeholders, affords CEO members within the metal and engineering industry to fix their employees' wages at flat rates of 60% of the 2019/2020 industry wage rates **WITHOUT HAVING TO GIVE ANY INCREASES until 30 June 2024** (i.e. Rate H being R29-73 until 30 June 2024, without any increases). This is important to note as the current wage rate for Rate H is R52-52, which will increase by 6% on 01 July 2022 to R55-67.



- 4) This agreement is not backdated from 01 July 2021, as other parties have to observe. CEO is in a unique position that this agreement is applicable from the date of CEO's signature being 27 May 2022.
- 5) The New Main Agreement provides for a set standard of working conditions assisting employers (i.e. industry grading system, shift work, short time, working-in time arrangements and industry-standard templates, to name but a few).
- 6) It provides for labour peace, business stability and surety for employers in that trade unions may not negotiate plant level with CEO members on any issues of wages, working conditions/benefits contained in the New Main Agreement (clause 37).
- 7) This agreement will be extended to all in the industry (all non-parties), whereby only signatories to the New Main Agreement may now enjoy the benefits that this agreement holds, as stated above; whereby non-signatory parties will have to apply for an exemption to enjoy these benefits, already gained by CEO and its members.

Queries / CEO Membership: For any queries of existing members, or inquiries on how to become a CEO member please contact our head office at (012) 880 0294 or e-mail us at cb@ceosa.org.za.

Regards

CEO Collective Bargaining Team