

Transnet agrees 3-year wage deal with majority labour union

By Nelson Banya

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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.



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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.

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