

# Transnet and unions declare wage deadlock, strike looms

By [Nelson Banya](#)

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Transnet has announced a deadlock in wage negotiations, with two labour unions raising the prospect of a strike that could further cripple the state-owned logistics company and impact Africa's most advanced economy.



Source: [Hennie Heymans via Wikimedia Commons](#)

Transnet has been operating below capacity due to the shortage of locomotives, inadequate maintenance, vandalism and theft of its infrastructure, costing miners billions of rand in potential revenue.

In a statement, Transnet said a wage dispute had been formally declared with the South African Transport and Allied Workers Union (Satawu) and the United National Transport Union (UNTU) after negotiations which started in May.

Transnet said the unions had rejected its offer of a 1.5% increase on employees' pay, excluding medical and housing allowances.

"Their position remains unchanged from the previous rounds of wage negotiations, with a demand for a 12% increase on annual guaranteed pay, as well as other demands which add up to a total increase in labour costs of 21%," Transnet said.

UNTU general secretary, Cobus van Vuuren said that his union, which he said was the majority at Transnet with more than 50% of the workforce, had rejected Transnet's offer as it was way below the inflation rate, recorded at 7.8% year-on-year

in July.

He said the formal declaration of a dispute allowed a 30-day "cooling off period" for further negotiations with Transnet.

"However, if there's no compromise reached by the parties, that would enable labour to go through a balloting process where members will mandate whether we can embark on protected industrial action or not," van Vuuren said.

Satawu described Transnet's offer as an "insult" but said it remained open to further negotiations.

"Satawu wants to emphasise that going on strike is not our priority. However, at this stage, the employer is forcing us to go through that route," it said in a statement.

## ABOUT THE AUTHOR

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