

Transnet strike is bringing SA's economy to its knees

South African miners are losing R815m (\$44m) in export revenue per day due to an ongoing strike at state-owned logistics firm, Transnet which has hit commodity exports, an industry body said on Thursday.



Source: Reuters.

Transnet's freight rail and port workers earlier said they had rejected a revised pay offer and vowed to continue the strike which started a week ago.

The Minerals Council of South Africa said major mineral export harbours were currently operating at between 12% and 30% of their daily averages due to the strike. Transnet did not immediately respond to a request for comment on the estimates.

On average, South Africa exports about 476,000 tonnes of bulk minerals a day worth R1.06bn, but is currently only able to ship out 120,000 tonnes of minerals a day, the industry group said in a statement.

"According to our estimates, bulk mineral exporters are losing R815m worth of exports per day because they are unable to rail and load 357,000 tonnes of iron ore, coal, chrome, ferrochrome and manganese onto ships daily," the Minerals Council said.

Transnet said on Thursday it had raised its wage offer to 4.5% from 3% to 4% previously, with additional 5.3% annual

increases over the next two years.

But the United National Transport Union (Untu) and the South African Transport and Allied Workers Union (Satawu), which together represent most Transnet workers, said they had rejected the latest offer and would remain on strike.

"We have indicated to Transnet that they are not being responsible and reasonable," Untu general secretary, Cobus van Vuuren said. "The strike will be intensifying today and over the coming days; picketing will also be intensifying."

Satawu said it had received Transnet's latest offer "with great sadness" and said that the strike would continue.

Van Vuuren said the unions had tabled demands for an increase that would be related to South Africa's annual inflation rate, which was 7.6% in August.

Transnet has said meeting the unions' demands would not be sustainable as wages currently make up 66% of its total expenses.

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