

MEDIA RELEASE

ArcelorMittal South Africa annual wage negotiations break down

Vanderbijlpark, 10 May 2022: ArcelorMittal South Africa confirms that the National Union of Metalworkers of South Africa (NUMSA) has issued the company with a strike notice following a breakdown in the 2022 annual wage negotiations with NUMSA.

“The timing of the strike notice suggests that the company’s revised offer has not been shared with NUMSA members by the union, which is disappointing” said ArcelorMittal South Africa’s Chief Executive Officer, Kobus Verster. “We believe the company’s offer is fair and takes into account both the current economic conditions and the future sustainability of the business.”

In the most recent engagement on Thursday, 5 May, which was conciliated by the Centre for Dispute Resolution, the company tabled a significantly improved final offer of 7%, comprising of a 5% increase across the board on all remuneration elements as well as a 2% cash equivalent based on all remuneration elements to be paid monthly.

The offer is higher than what has been implemented in the steel sector (5.5% average) and elsewhere in the recent past, which is indicative of the substantially higher salary scales at ArcelorMittal South Africa compared to the rest of the industry and other sectors. NUMSA disputes this fact but has to date not presented any factual evidence to the contrary.

In the union’s strike notice, NUMSA has reverted to its original 15% increase demand, having tabled a revised 10% increase demand at last week’s conciliated engagement.

In a statement issued today, NUMSA has disingenuously suggested that ArcelorMittal South Africa employees are earning R7 000 per month when the reality is:

- The current average total remuneration of the lowest grade of employees at ArcelorMittal South Africa is R21 423 per month excluding overtime
- The offer tabled by the company will result in an average positive adjustment of R2 246 per month for bargaining unit employees.

“The company is concerned that unsustainable increases in base pay will lead to cost pressures which will weaken our competitiveness,” adds Verster. “Our industry remains very cost sensitive, challenging and volatile. To survive and be sustainable, we need to ensure that our cost base remains competitive so that we can manage through the downturns.”

Communication channels between the parties remain open in the interest of speedily reaching agreement in the negotiation process.

“We encourage all parties to behave responsibly in finding agreement so that the business can move forward,” concludes Verster.

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