

Numsa strike may cripple engineering firms

Nearly a quarter of a million members of South Africa's largest union in South Africa have downed tools, beginning an indefinite strike that threatens to bring the engineering sector to a halt.



Seifsa President Kaizer Nyatsumba says the last thing South Africa needs is another crippling strike. Image: [KMN Holdings](#)

Members of the National Union of Metalworkers of South Africa (Numsa) marched in cities across the country, demanding a minimum 10% pay increase and a better housing allowance. The industry says the demands are unaffordable.

The strike is expected to hit more than 10,000 metals and engineering firms that account for about four percent of South African economic output, according to a Citigroup economist.

Among the companies believed to be affected are multinationals BAE Systems and Bell Equipment.

Last-minute talks between the union and industry leaders brokered by Labour Minister Mildred Oliphant failed to break the deadlock.

The strike comes as another blow to South Africa's beleaguered economy, which contracted in the first quarter after a five-month platinum strike.

Some fear another strike could push Africa's most industrialised nation towards a further recession that would increase widespread social unrest and already crippling unemployment.

The country's credit rating was recently downgraded by Standard and Poor's to one notch above junk status.

"Our economy has been seriously under-performing over the past few years and the situation has been worsening in recent times. The last thing that we need is a strike," said Kaizer Nyatsumba, Chief Executive of the Steel and Engineering Industries Federation of Southern Africa, an industry umbrella group.

Source: AFP via I-Net Bridge

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