

Why Numsa is calling BMW's bluff

 By [Chris Mberdyk](#)

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Most business people in South Africa with even the slightest capitalist leanings would have been horrified at the sheer arrogance of the National Union of Metal Workers (Numsa) response to BMW's announcement that it might reconsider further investment in South Africa due to loss of production through labour unrest.

Numsa called this blackmail. Most others called it a rational business decision. Numsa said it was unfair and suggested foreign investors had no right whatsoever to even think about not continuing to plough money into South Africa.

Most other people thought Numsa must be out of their minds.

The thing is, I am not in the least bit surprised that Numsa should take such a completely whacko stance with regard to foreign investors.

Quite simply because the majority of foreign investors who have manufacturing facilities here in South Africa and for that matter, most big businesses in South Africa, tend to inundate the media with how much money they and the country are losing due to strikes and how it is hammering the exports business and upsetting overseas customers.

The trouble is, once the strikes are over, nothing has changed. It's business as usual.

It's all smoke and mirrors

In the past, the spin employed by big business in this country during times of labour unrest has proved to be about as credible as the worst that Mac Maharaj can offer.

This is nothing new. It happened year after year when I worked in the motor industry. And for the past 20 years nothing has changed.

Strikers strike, big business threatens and it all ends up as smoke and mirrors.

All of which presents enormous challenges to the PR people who have to get across corporate messaging to the media - while not being made out to be liars at the end of it all.

Somehow it has to change. Big business needs to be careful about making idle threats to labour unions because when those threats don't materialise the unions believe they have won.

And this is precisely the case with Numsa.

Yesterday's empty threats become tomorrow's reality?

For the past few decades Numsa has consistently won the battles because all of those foreign investors, who threatened everything from pulling out of the country to cutting back on further investment, have all done the opposite. None left and most have increased their investment.

So, while Numsa's demands from foreign investors might appear to others to be arrogant posturing of the most suicidal kind, the union doesn't see it that way.

Numsa sees itself as being able to call the shots with foreign investors because that's what they have been doing for ages - and getting away with it.

The sad thing is that at some stage or other companies like BMW are going to wonder whether it is all actually worthwhile and in spite of Numsa's belief that manufacturers can't build cars cheaper anywhere else in the world as they do in South Africa, the fact is they can.

In the 1970's BMW chose South Africa as its top country to produce cars.

In the late 1980's when it was looking to build another plant outside of Germany, South Africa was notably in 30th place on its list of preferred locations.

Numsa didn't take much notice of that. But they should, because in my opinion they are sailing very close to the wind and it would not surprise me if some big foreign manufacturer decided to pull out of South Africa in the near future.

ABOUT CHRIS MOERDYK

Apart from being a corporate marketing analyst, advisor and media commentator, Chris Moerdyk is a former chairman of Bizcommunity. He was head of strategic planning and public affairs for BMW South Africa and spent 16 years in the creative and client service departments of ad agencies, ending up as resident director of Lindsay Smithers-FCB in KwaZulu-Natal. Email Chris on moerdykc@gmail.com and follow him on Twitter at [@chrismoerdyk](https://twitter.com/chrismoerdyk).

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