

South African transport workers strike hits rail, ports

Our reporter
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Workers at state-owned Transnet, the logistics company that runs the rail network and ports facilities in South Africa, are on strike. Workers belonging to the South African Transport and Allied Workers Union (SATAWU) went out on strike May 10 and were joined May 12 by workers in the larger, United Transport and Allied Union (UTATU).

According to a Reuters report, around 85 percent of the 54,000 workforce are out on strike. Their main demand is for a 15 percent pay rise, having rejected an 11 percent offer made by Transnet. The strike will mainly affect the movement of freight.

Mineral production is an important part of the South African economy and movement of iron ore and coal will be hit, as well as fuel distribution and shipping. South Africa is an important source of coal supplies, shipping it directly to power stations in Europe and Asia. South Africa is the largest supplier of coal to Europe.

The same Reuters report also quoted UTATU President George Strauss saying, "Nothing is moving today."

A Bloomberg *Business Week* report noted with concern that rail and port shipments of iron ore and chrome are being choked off by the strike. Transnet is also responsible for the pipeline supplying fuel to Johannesburg. Arcelor Mittal South Africa, the largest steel producer, is being "dramatically" affected by the strike action.

The global mining group Xstrata has declared a force majeure halting of a shipment of ferrochrome, a vital ingredient of stainless steel.

Dave Powels, president of the National Association of Automobile Manufacturers SA, has warned that automobile plants face closure as a result of the strike.

South African power stations continue to function

because the majority of the coal is supplied by conveyor directly from the mines. Shipments of coal to Europe and Asia are likely to continue for the time being because there are stockpiles held at the ports.

South Africa's largest bulk export port of Richards Bay has been partially closed by the action. One terminal is said to be operating at 20 percent capacity. But *Business Week* noted that the Raymond Chirwa, CEO of Richards Bay Coal Terminal, had turned his phone off and was refusing to answer press questions.

Whilst Transnet is not responsible for passenger traffic, the Passenger Rail Agency of South Africa (PRASA) has suspended long distance passenger trains such as Premier Classe while the strike lasts.

Workers at the passenger network Metrorail who belong to the same two unions may go on strike Monday in a separate dispute. This action would halt commuter services.

SATAWU organised marches May 12 to Transnet offices in Johannesburg, Durban and Polokwane. Police arrested 13 workers following a demonstration by the strikers in Durban on Monday.

The union memberships rejected calls by their leaders to accept the Transnet offer. A report in the *South African Business Day* journal of May 11 cites ATATU General Secretary Chris de Vos calling on his members to accept the 11 percent offer. He told reporters that the unions would meet with a mediator from the Commission for Conciliation, Mediation and Arbitration on Friday to discuss a possible settlement.

The Federation of Unions of South Africa has asked the Commission for Reconciliation Mediation and Arbitration to intervene. The federation, South Africa's second largest, said in an email that the strike is harming the economy.

South African President Jacob Zuma has appealed to

the Transnet workers and to taxi drivers who are threatening to strike not to disrupt the World Cup. He called on striking workers to return to work.



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