

National Union of Mineworkers presses for end of 10-week platinum strike in South Africa

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National Union of Mineworkers (NUM) media officer Lophert Chilwane complained in an April 2 letter to *Business Day* that the 10-week strike at platinum mines around Rustenburg, North West province, has so far cost mining firms about R10 billion (US\$950 million) in revenue and workers almost R4.4 billion in pay. He claimed that crime in Rustenburg is increasing as a result of the strike that began on January 23. The walkout, led by the rival Association of Mineworkers and Construction Union (AMCU), is seeking a basic monthly salary equal to US\$1,180.

“It is highly irresponsible to take workers on such a long strike where there are no prospects of achieving the demands,” the NUM letter read. Seeking to prostrate workers at the feet of the bosses, Chilwane declared, “The employer still wields more power and has become too organised and united to be defeated....”

The demand that miners capitulate before a supposedly all-powerful employer followed a querulous statement the previous day from Impala Platinum (Implats), one of three companies hit by the strike, that it may have to buy platinum on the open market to meet customer deliveries. “We definitely can’t continue to supply all our clients as we normally would’ve done,” said Implats spokesman Johan Theron.

Also affected by the strike is the world’s largest producer, Anglo American Platinum (Amplats), which still has about 215,000 oz in platinum stockpiles, half the amount it had when the strike started. According to CEO Chris Griffith, the company may also buy metal on the market to continue supplying customers.

Speaking to *Business Day*, Griffith said Amplats “was reconsidering the viability of its operations in the Rustenburg platinum belt, adding it was unfortunate

that the producer’s most marginal assets were the site of the most labour unrest.”

Mark Cutifani, CEO of Amplats’s parent company Anglo American PLC, darkly observed that the future “doesn’t look good” and that Anglo could get rid of its platinum assets.

Negotiations under the aegis of the government Commission for Conciliation, Mediation and Arbitration (CCMA), which collapsed in early February, have been resuscitated. Implats nevertheless warned that job cuts are imminent, saying AMCU had “to moderate their demands to a realistic settlement zone.” This echoed Griffith’s announcement at the end of February that Amplats would start section 189 (retrenchment) talks with unions shortly.

Speaking on the sidelines of an economic conference in Abuja, Nigeria, South African finance minister Pravin Gordhan hoped that the two sides would soon resolve their conflict, which has become the country’s biggest industrial dispute since the end of apartheid 20 years ago and has cut global platinum output by 40 percent. Gordhan claimed that all sides lose in such a contest and that “the quicker they resolve their problems, the better for all.”

This contradicts the evidence of a 3.45 percent surge in Amplats’s share price on April 1 to R490 on the news that it had sent force majeure notices to some of its suppliers. The ongoing strike qualifies as force majeure, an “act of God” beyond Amplats’s control. It allows the company to hoard money by leaving some contractual obligations unfulfilled.

Griffith told *Mining Weekly Online* that, with a third of annual output dissipated by the strike, “Amplats’ Rustenburg operations would not make a profit. But, he

did not say anything about Amplats as a whole, which many believe has potential profit in it, particularly in view of it quietly boosting production at its ultra-rich Mogalakwena mine and then using Rustenburg as a poverty-pleading scapegoat.”

In addition to layoffs, mine owners are holding the threat of mechanisation and deep cuts in the workforce over the head of strikers, as at the Implats Leeuwkop mine being developed near Brits in North West. Implats spokesman Theron said Leeuwkop could be mechanised if Implats found it more profitable. As a labour-intensive mine, Leeuwkop would employ 10,000 people, but as a mechanised mine it would employ between 2,000 and 3,000 people.

For good measure, Theron added Implats was considering partly or wholly mechanising three new shafts at Rustenburg, too.

Among other tactics to boost his pre-election profile, Bantu Holomisa, leader of the African National Congress breakaway United Democratic Movement (UDM), has added his voice to calls for an end to the strike. Holomisa said mechanisation was bad news for South Africans desperate for work and would adversely affect communities living near such operations. He urged AMCU and platinum mining bosses to reach an agreement soon. The UDM chief warned that the “strike has gone on for too long and inevitable retrenchments are looming.”

Meanwhile, AMCU’s executives, including President Joseph Mathunjwa, have no independent strategy and are essentially riding the tiger of worker militancy. An application for the union’s members in the coal and gold sectors to strike in solidarity with their platinum sector colleagues was turned down by the National Economic Development and Labour Council on March 28.

Mathunjwa said the union would continue its present campaign of marches for higher wages. He made this announcement to hundreds of strikers who marched to Implats’s Illovo, northern Johannesburg, head office, to deliver a memorandum of demands to the company. This followed a march by about 5,000 AMCU members to hand over a similar memorandum to Amplats on March 18. On that occasion, the union asserted the strike would continue until there was an end to “institutionalised cheap labour.”

Mathunjwa said this month the marches will target

the Melrose Arch, Johannesburg, head office of Lonmin, the third company at which miners have struck. That will be followed by a march to parliament after the Easter holidays if AMCU’s demands have still not been met. “It doesn’t matter if it takes us 10 days to get [to parliament in Cape Town],” he said.



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