



**NUMSA statement on the deadlock in the Auto wage talks  
26 October 2025  
Press Statement**

The National Union of Metalworkers of South Africa (NUMSA) has reached a deadlock in the auto industry and it is facing possible strike action, while negotiations have progressed on other core demands that, as a union, we were mandated to negotiate for workers, such as:

1. Short time.
2. Housing allowance.
3. Transport allowance.
4. Skills-based grading.
5. Plant educator.

At the centre of the deadlock between the parties, where they failed to reach an agreement this past weekend, is the percentage increase that employers must offer to settle this round of negotiations for a period of three years. Their proposal of 6.5% for the first year and 5% for the following two years has been rejected by NUMSA. This offer on the table constitutes a serious provocation; it is an insult given that the auto sector is the leading sector in both the auto industry and the manufacturing sector in terms of backward and forward linkages. As such, it is the union's firm view that the sector is capable of providing workers with a reasonable and fair wage increase, even under the current challenges facing the sector. Workers still need to be able to afford transport, electricity, medical aid, and a basket of food.

The other issues that parties still need to iron out are:

1. Medical aid.
2. Gratuity bonus.
3. Service leave.
4. Lay-off.

The union has consistently and sharply conveyed to employers that the fact that the CPI is at 3.4% cannot be used as a justification for employers to impose a three-year wage deal, which amounts to a wage freeze. Employers cannot expect workers to bear the brunt of current socio-economic conditions. It is a firm NUMSA stance that employers in the auto industry must be prepared to provide support for workers whose lives are negatively impacted by inflationary socio-economic conditions, such as:

1. NUMSA has consistently raised with employers right from pre-bargaining on this round of wage negotiations the following:

*"It will not be smart for employers to take a position that because CPI is hovering around 3.4%, then this means that workers cannot look for an increases for their wages, or adopt a view that workers have no rights to bargain due to the prevailing hard economic conditions as reflected in the economic indicators such as CPI, that workers cannot reflect to the fact that in the agreement that is expiring they would have secured increases of 8.5% in YEAR 2022, 7% in YEAR 2023, 7% in YEAR 2024 and because they are affected by the cost of living such as, transport costs, the basket of*

*food, which was R5 313.22 in February 2025, and with electricity that has gone up about 12% and then hold a view that workers cannot demand a fair wage increase that should cushion them.”*

2. The union has been very frank and honest with employers that it is completely unfair and unjust for employers in the Auto sector to want to give increases that are far less than what has been given by other sectors who are in the same sector with the Auto sector in term of backward and forward linkages. For instance in the engineering and steel sector employers made and offer of 7% for the first year and 6%.6% for the following years. The plastic sector employers made an offer of 7% for the first year and 6%, 6% for the following years.
3. Workers refuse and reject that employers in the auto sector can make the same offer that has been offered by employers in the component supplier value chain to workers, where they gave workers 6, 5% in the first year and 5%, 5% in the following years.

The union has told employers this past weekend that their intransigent stance, which involves refusing to give workers a fair and meaningful offer, will leave the union with no choice but to consider signing a one-year agreement with employers. This would mean that the union and employers in the sector would need to negotiate each year. Unfortunately, the unintended consequences of such an arrangement could lead to unnecessary instability in the industry, given that until recently, parties within the sector have not been driven by selfish interests. They used to listen to each other and reach agreements on wages and substantive demands that takes care of the interest of both parties, without the employers or the union bargaining in bad faith because of the status of the CPI, whether it is low or high.

While parties will reflect on the status of CPI, CPI will not be a determining factor; instead, it will be used as an indicator to influence and shape the settlement on wages and benefits for workers. However, since workers are affected by all inflationary pressures driven by CPI, high interest rates, petrol prices, and a basket of food, parties will engage in bona fide negotiations, particularly because they are negotiating for a three-year agreement. Therefore, employers must not only be prepared to enjoy the stability that comes with a three-year agreement but they must also be able to pay for it.

Given that employers adopted an intransigent stance of refusing to move from their positions of 6.5%, 5%, 5%, the union has been left with no option but to call on the employers from the 7 OEMs to be prepared to make financial disclosures, so that we can compare apples with apples, and this is what the union called on employers to disclose:

- a) Their audited financial statements for the past three years.
- b) Industry data, including but not limited to sales (indications are that the industry has recorded high sales volumes when compared year on year. If sales are high, there is no reason to believe that the industry is not profitable).
- c) All seven OEMS must disclose how much money they have earned from government incentives such as AIS, PI and VALA. That includes their own customs duty being offset.
- d) These OEMs must also disclose how much money they have earned from selling access generated credit certificates. These are being sold to

independent importers who are offsetting duties and bringing in cars that are not locally assembled but are sold in the same market.

- e) This includes revealing how much revenue the industry has earned from selling credit certificates to Chinese brands and other OEMS.
- f) The union also demands that the 7 OEMs disclose, over the past 3 years, details about multiple short-term contracts and layoffs. We want each company to reveal the savings they have generated through such processes.

The union leadership, having considered everything and given the current stage of the dispute, where a certificate of non-resolution will be issued very soon by facilitators, believes that if the parties fail to move from their positions, this dispute will continue.

The union might have no choice but to go on strike as a last resort, considering the gravity of such action and its negative effects on the industry, both in the short and long term. The union leadership was very clear yesterday that a meeting of CEOs and NUMSA's national leadership must be arranged urgently, no later than Tuesday next week. Such a meeting should do everything possible, with parties willing to move from their positions, to break the current deadlock in the industry and prevent a possible strike.

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