



**NUMSA welcomes the signing of an above inflation wage agreement in the Auto Sector**  
**14 November 2025**  
**Press statement**

The National Union of Metalworkers of South Africa (NUMSA) welcomes the signing of an above inflation wage agreement in the auto sector, with the Automobile Manufacturers Association (AMEO), who represent employers in the National Bargaining Forum. It is important to state that in the buildup to this settlement the union had to reject the offer of 6.5% in the first year, 5% in the second year and 5% in the third year.

At this point a deadlock was declared by the union. NUMSA leadership engaged with the CEOs who improved the offer to 7% in the first year, 5.5% and 5.5% for the following two years. In terms of NUMSA negotiating team buttressed by NUMSA's national leadership this offer was still not accepted as the union leadership we proceeded with a dispute. We collected a certificate of non-resolution and the next step was to decide on when workers should embark on a strike. However, such a decision was democratised by the union and taken to members in general meetings in the 7 OEMs.

The feedback the union received from members was that members mandated the union in their majority that the union leadership must settle and accept the offer on the table. By so doing, mandating the union leadership to sign the agreement. Out of 7 plants, 5 plants in the majority mandated the union leadership to settle and two plants with one satellite plant rejected the offer and wanted the union to continue with the negotiations and that include embarking on a strike.

However, given that the union is a democratic worker controlled union, decisions get to be taken on the basis of majority. the National Shop steward Council yesterday, 13 November 2025 received all reports from plants and in the took a decision in the best interest of all NUMSA members was to settle this round of negotiations and to welcome the current offer on the table. That is why the union membership is making a clarion call to all its members across the 7 OEMs that NUMSA members must now accept that we have settled this round of negotiations given this majority decision.

It is critical that the union and the auto CEOs must quickly go beyond these negotiations and call on government to address burning issues that are negatively affecting the industry. Below is what the union firmly believes require urgent measures and interventions that must be taken to protect the current capacity for manufacturing and secure the industry:

1. The OEMs and NUMSA must convene an urgent meeting with the Presidency, the National Treasury and DTIC to sharply raise the unsustainable nature of the levels of penetration of the local market by imported vehicles where we are talking about 63% of the vehicles sold in the local market being imported brands.

- Whilst NUMSA accept and understand the important strategic nature of our country's participation in BRICS as part of the global south, we remain firm that we cannot shy away from the fact that there is a glaring trade deficit between the trading partners, particularly China and India, as it relates to the South African economy and the market for the automotive industry. **This imbalance must be addressed on an urgent basis, it cannot be business as usual. In 2018 both China and India imports were less than 1%. In 2025 both China and India imports are approximately 26%.**



- The leadership of the industry must insist that it must be made compulsory by government that foreign brands must set up plants in SA and assemble and manufacture locally. This include calling on them to co-invest with the 7 OEMs where companies are comfortable with such deals to ensure that we realize full utilization of the capacity of the 7 OEMs.
- It is time to raise this issue very strongly with absolutely no compromise as the leadership of the industry as it is at the center of protecting the current capacity for manufacturing and to protect the future job security of workers and worst of all if these issues are not addressed head on this industry will not meet its Master Plan Vision which is directly linked to retaining of jobs and creation of jobs as it will not be able to meet its target of 60% localization by 2035.
- We should be calling on government to come up with a vibrant industrial policy that ensures that primary steel the form of ArcelorMittal is protected so that it continues to supply the auto industry with the necessary specialised steel and that from where we stand this is only possible if government is prepared to be decisive and nationalise ArcelorMittal and ensure that as a country we go back to the old perfectly worked arrangement of cost plus three agreement which existed between Khumba Iron-Ore and Iscor (ArcelorMittal) and there must be no compromise in retaining Eskom as a strategic utility whose energy mix must be rooted on dispatchable sources of energy. Whilst we must support a just transition which must be at the cost and pace our country can afford. This is critical and urgent both to protect our manufacturing capacity and at the back of ownership and control of our country's minerals we should unapologetically beneficiate them championing manufacturing and industrialisation to create the most needed jobs.

6. It is against this back ground that NUMSA remains very firm in calling on Minister Enoch Godongwana, the Presidency and the DTIC that they must move swiftly, having taken a progressive step. That of passing a Public Procurement Act, they must now with urgency announce the public regulations that will ensure that every government spending from municipalities, provincial government, national government and all government departments and SOEs, that all of them on their procurement spend they must champion localisation. That is the only way we can create quality jobs that are paying a living wage, that is the only way we can smash poverty unemployment and inequality's.
7. NUMSA is firm that only by unlocking economic growth and creating decent jobs that pay a living wage can we restore the purchasing power needed for people to buy cars, thereby boosting government revenues. In line with this, we strongly demand and advocate that the National Treasury and DTIC must with speed ensure rebating of the ad valorem tax for vehicles sold by domestic producers to stimulate domestic vehicle demand as that will grow the market especially for electric vehicles.

This three year wage agreement the union as signed today in the interest of its members is starting from 1 July 2025 and expiring on 30 June 2028.

The agreement is broken down as follows:

1. 7% increase for the first year which is applicable from 1 July 2025. (It will be backdated).
2. 5.5% or CPI whichever is greater for the 2<sup>nd</sup> year
3. 5.5% or CPI whichever is greater for the third year.

#### **Transport allowance and Short time**

4. Transport allowance to be increased from R3555,53 to R4500,00 and it will be adjusted annually by the applicable across the board wage increase percentage agreed to, for such years. This means it will increase in line with the annual across the board increases as stipulated above.
5. Short time – The current NBF provision will continue to prevail save for the following amendment: *“On any normal working day, when as a consequence of short time and employees would not be entitled to any compensation or payment, such employee will be paid 60% of his/her basic daily wage subject to a maximum limit of 50 days in a calendar year.”* (This means that workers will be paid 60% of his/her basic daily wages for short time, and this is limited to 50 days in a year).
6. Medical aid – parties have reconfirmed their commitment to an industry medical aid scheme, subject to the terms and reference contained in the agreement.

#### **Once-off gratuity**

7. Once off strike free taxable gratuity payment of R12 500,00 will be paid to each employee in the bargaining unit in the next payroll cycle.

NUMSA welcomes the signing of this agreement, particularly because the union had deadlocked with employers and we were on the verge of a strike. Thankfully, were able to find one another and conclude this round of wage talks.

The union is grateful for the efforts made by the entire negotiations team who worked tirelessly to secure this deal. We are calling on all workers who are not NUMSA members across all sectors to join NUMSA as the union of their choice.

United we stand, divide we fall! Workers of the world unit! You have nothing to lose but your chains!

**Ends.**

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