**NUMSA Press Statement**
**5 June 2026**

# NUMSA WELCOMES AND CELEBRATES NERSA'S APPROVAL OF CONCESSIONARY ELECTRICITY TARIFF FOR FERROCHROME SMELTERS OF 62 CENT PER KILOWATT HOUR

---

The National Union of Metalworkers of South Africa (NUMSA) welcomes and celebrates the decision by the National Energy Regulator of South Africa (NERSA) to approve Eskom's amended Negotiated Pricing Agreement framework, including the concessionary electricity tariff of 62 cents per kilowatt hour for smelters. This is a victory that NUMSA, through its well thought negotiating skills pursued with patience for all workers in the smelting sector that have been facing continuous threats of retrenchments where smelters have been mothballed. We want to applaud both the Minister of Electricity, Dr Kgosientsho Ramokgopa and Mr Dan Marokane, the Eskom GCEO and the NERSA leadership for delivering this timely intervention which is not only strategic to protect jobs in the smelting sector but it breaks new ground in reversing the high levels of deindustrialization in our county.

For years now, NUMSA has been demanding and calling for a vibrant industrial policy which must be about taking ownership and control of our minerals and ensure that they are beneficiated and through a state that intervenes in the economy drive manufacturing and industrialization, create the most needed jobs that are paying a living wage, build an inclusive economy, smash poverty, unemployment and inequality. Such a vibrant industrial policy should be very clear on how we deploy strategic minerals in building our economy. That includes banning their exportation so that those who are interested in our minerals can come and invest in South Africa.

The union, on behalf of its members has consistently championed that the smelting industry must be given a competitive electricity tariff so that we stop exporting jobs to other countries that have no Chrome or Manganese. NUMSA as a union has been part of on-going engagements with all social partners in the best interest of the smelting sector as the union has consistently campaigned for a competitive electricity tariff for strategic sectors of the economy. Therefore, this decision by NERSA represents a significant victory for workers, industrialization, beneficiation, and the broader South African economy. That is why NUMSA is not mincing its words in claiming this victory for workers as a product of its negotiations which was buttressed by the pressure the union put up as a militant red revolutionary union.

The union further notes that while the duration of the agreements differs, with Samancor Chrome participating under a five-year arrangement and Glencore under a three-year arrangement, the core contractual terms, pricing mechanisms and risk-sharing conditions remain consistent and equitable across all parties. It is against such a backdrop that the union firmly demand across all employers of the industry that employers must uplift all section 189 processes and reopen all the smelters, employ workers back to work and create the most needed jobs that our people desperately need. The essence of our demand is to call on all participating companies such as Samancor Chrome and Glencore to move with urgency towards reopening all mothballed smelters. These smelters must be reopened, production capacity must be restored, and more employment opportunities must be created. The approval of this tariff must not merely improve company balance sheets; it must translate into the reopening of furnaces, the rehiring of workers, the creation of new jobs and increased investment in local beneficiation.

NUMSA expects these companies who will be benefiting from this concessionary tariff to demonstrate a clear commitment to retain jobs and create new jobs. Workers and communities have borne the brunt of plant closures and retrenchments for too long, therefore the benefits flowing from this intervention must be shared across the value chain and not accrue solely to shareholders.

NUMSA acknowledges that this agreement has been structured in a manner that does not require additional government fiscal support. It includes an equitable upside-sharing arrangement linked to market performance which the union views as a demonstration that it is possible to support strategic industrial sectors, protect jobs and strengthen South Africa's productive capacity without placing an additional burden on the fiscus whilst simultaneously supporting leading sectors with an integrated vision. This can be done through building new sectors in terms of backward and forward linkages. It is in this context that the state must not only intervene in the economy but it must play a catalyst role through an expansionary budget in that, the more industries are created and the more we continue to grow the economy, the more revenue will be created which can be deployed back to deal with the socio-economic conditions that have been worsening for the South African people in a country which is rich with all different types of minerals.

That is why NUMSA has consistently maintained that as a country we must move away from an untransformed minerals-energy-finance complex and stop the extraction of our minerals for the economies of the north. As we argued for decades now, South Africa cannot continue to export raw minerals such as chrome ore and manganese to countries which have no chrome ore or manganese, as this amounts to nothing but the exportation of jobs that are desperately needed. The union was among the strongest voices calling for a competitive electricity price to enable South African smelters to compete globally and reverse the devastating effects of deindustrialization which have resulted in plant closures, job losses and declining production capacity. The future of our economy lies in beneficiation, industrial development and the creation of decent jobs through local processing and manufacturing.

The union further calls on government to build on this victory by developing a comprehensive industrial policy that supports local beneficiation, manufacturing expansion and downstream industries linked to South Africa's mineral wealth. The long-term objective must be to transform South Africa from an exporter of raw minerals into a producer of high-value manufactured products that create sustainable employment and economic growth.

This victory is not only a victory for the ferrochrome sector workers; it is a victory for all workers, communities, industrialization and the future of South Africa's economy as it demonstrates the strategic importance of maintaining Eskom as a publicly owned utility that can play a developmental role in supporting industrialization, economic growth and employment creation. Therefore, NUMSA remains firm that all Eskom assets must remain owned and controlled by Eskom. That is why we remain completely opposed to the hollowing out of Eskom’s transmission assets out of Eskom through the so-called “Transmission system operator SOC Ltd” which is used to pull the wool over the eyes of the South African public in that its independence will bring the price of electricity down when in fact it's nothing less than an open javelin for President Ramaphosa and all those that funded his campaign in 2017. In essence, such a statement which was made by President Cyril Ramaphosa at the SONA was meant as a broad day light robbery of the people's assets and Eskom as an institution handing it over into private hands.

Basically, the privatization of the country's energy provision, if such were to succeed it would undermine this groundbreaking victory which NUMSA was part of and will ultimately make it impossible for our country to industrialize. That is why NUMSA has consistently maintained that as a sovereign country we have an absolute right to decide on the energy mix that is suitable to power our economy and communities. At the centre of our energy mix, NUMSA has demanded unapologetically that it must be dispatchable sources of energy including nuclear, coal and gas. Whilst engaging renewables to drive just transition at a pace and cost our country can afford.

NUMSA acknowledges all the role players such as Eskom, the Department of Electricity and Energy, NERSA and all stakeholders such as unions who contributed to securing this outcome. We particularly welcome the leadership shown in recognizing the importance of protecting strategic industries and the thousands of jobs that depend on them.

***Issued by:***
***Irvin Jim***
***NUMSA General Secretary***
***073 157 6384***

***For more information, please contact:***
***Mbali Ngwenda***
***NUMSA Media & Communications***
***mbalin@numsa.org.za***
***078 458 0617***

***For more information:***
***NUMSA Head Office: 011 689 1700***
***Facebook: https://www.facebook.com/NumsaSocial***
***Twitter: https://twitter.com/Numsa_Media***
***Website: https://numsa.org.za/***