NUMSA Press Statement

6 July 2026

NUMSA condemns First Battery's arrogant decision to retrench 165 workers and declares formally protected strike action from Monday, 6 July 2026

The National Union of Metalworkers of South Africa (NUMSA) condemns in the strongest possible terms the decision by First Battery to proceed with the retrenchment of 165 workers. These job losses could have been avoided. They are the direct consequence of poor decisions by a management team that completely lacks the vision required on how to position its business strategy within the Automotive industry. This is the very same management that has failed to position First Battery to meet the specifications of the Automotive industry, leaving the company unable to supply batteries that meet necessary competitive standards.

As a result, under the watch of its management, First Battery has lost its market share and no longer supplies companies such as BMW SA, MBSA, Ford SA, Toyota SA. Not only has this management failed to take the necessary measures to continue to supply the Automotive Industry but instead it has adopted strategies that are contrary to Masterplan Vision 2035, which encourages all companies to drive localisation with a target of reaching 60% localisation by 2035. Instead of driving localisation this company decided to dump imported batteries in South Africa and supply imported batteries to BMW which are manufactured in Germany. NUMSA rejects this. We call on BMW SA and our members in BMW to call on BMW to review its decision to use imported batteries that are dumped into SA instead of making sure the batteries are manufactured locally.

NUMSA is clear that the 165 workers earmarked for retrenchment are the innocent victims of wrong decisions made by an arrogant management team that relies entirely on unilateral actions and management prerogative For a sustained period of more than five years, First Battery has continually retrenched workers—the very people who did not create this crisis, yet are being forced to pay for a company that is consistently losing its market share due to a visionless leadership.

During the Section 189 consultation process, NUMSA put forward reasonable alternatives. As required by the Labour Relations Act (LRA), an employer must disclose relevant information to enable the Union to advance informed alternatives. Instead, senior management rejected NUMSA's alternatives without even considering them. This is a clear sign that the company had already taken a cold corporate decision to dismiss these workers, rendering the entire consultation process nothing but a sham. Consequently, after First Battery management issued termination letters, NUMSA was left with no choice but to issue a 48-hour notice for a legally protected, indefinite strike, which will commence on Monday, 6 July 2026.

This strike has been taken by NUMSA as a last resort because of First Battery management and the Metair group senior leadership which completely refused reasonable alternatives. For instance, NUMSA demanded and placed for consideration to the company the following alternatives to avoid forced retrenchments:

1. To deal with the dumping of batteries that are eroding the market share of First Battery, we demanded that both NUMSA and the company must have a discussion with both the Department of Trade, Industry and

Competition (DTIC) and the International Trade Administration Commission (ITAC) to discuss counter measures at an industrial policy level such as increasing tariffs to protect the local market.

2. We were very clear to First Battery, that when we deal with cost cutting measures for a turnaround of a company there should be no holy cows. All costs incurred by the company must be disclosed. For instance, we demanded to know their total cost for electricity per annum for the past 3-5 years.

3. We told them that we can see management is clearly targeting labour costs by retrenching ordinary workers, yet they have failed to clarify what they are doing about skyrocketing scrap costs that are severely bleeding the company's balance sheet. High scrap costs are a clear indicator that a factory is in the hands of deadwood management that lacks the capacity to run efficient production processes. As usual, ordinary workers are made the sacrificial lambs so that a greedy, untransformed layer of management can maintain their gravy-train salary packages and unjustified bonuses. The exorbitant factory scrap costs that should have been addressed before even thinking about retrenchments are detailed below:

    - The company's scrap is mainly caused by poor process management, old machinery (+20 years) and poor maintenance.
    - Total Factory scrap 2026 YTD = R49 million (Jan –June 2026).
    - Total Factory scrap 2025 = R104 million (Jan – Dec 2025).
    - Total Factory scrap 2024 = R92 million (Jan – Dec 2024).

    The fundamental question that First Battery could not answer is this: What is the total wage cost of these 165 workers, who are paid starvation wages, compared to the lifeless cost of scrap? Stopping this internal wastage was entirely within management's purview, and the savings could easily have secured these jobs. This is one of the concrete alternatives we put to them which was rejected.

4. We demanded concrete information through a legal application process. In the presence of a CCMA commissioner, the company initially agreed that NUMSA could file this application for disclosure. However, once they received our application, management started all sorts of technicalities despite having agreed that the application must be filed, citing that the 60-day period was over, and the information we were demanding was irrelevant. This is a clear stance of a company that is not prepared to give information to the union so that we can be able to advance meaningful alternatives from an informed position. NUMSA responded to their sham response as follows:

    "NUMSA further records that the mere expiry of the 60-day period referred to in section 189A(7) of the Labour Relations Act does not relieve the Company of its continuing obligation to engage in a meaningful joint consensus-seeking process, particularly where material information remains outstanding and where NUMSA has formally invoked the disclosure mechanism contemplated in the Facilitation Regulations."

5. The Company refused to disclose strategic decisions. Below is what we demanded and what the company refused to disclose:

    - **The decision to import batteries instead of manufacturing locally for BMW:** The rationale, objective criteria, cost comparisons, and why the company refused to invest in the capital infrastructure required to meet BMW's specifications locally. We demand a full cost breakdown of the financial benefits the company claims to derive from these imports.
    - **The abandonment of other Original Equipment Manufacturers (OEMs):** Whether the company supplied manufactured batteries to MBSA, Ford SA, VW SA, Isuzu, or Toyota SA in the last five years; whether they are currently supplying them with imports or locally manufactured batteries; and the financial considerations underlying the decision to shift away from local production – this must include a full breakdown of cost comparisons and financial considerations.

- **The shift to aftermarket only:** The projected income for the next five years focusing strictly on the aftermarket versus a scenario where local OEM manufacturing was maintained.
- **Cost Drivers:** Full financial details on profitability factors, including water and electricity costs over the last five years so as to enable a proper comparison, management interventions to reduce these costs and what was the success rate in doing so, current senior management and executive remuneration (salaries and bonuses) compared to the total wage bill, savings from unfilled executive positions in not filling vacant senior management positions, operational costs for the Benoni and East London manufacturing plants (as well as the Cape Town and Durban branches), and the total projected cost of the currently contemplated retrenchments.

6. NUMSA as a Union is well-informed that even if the company had agreed to engage jointly with NUMSA in pursuing countermeasures to protect the market of First Battery and other companies whose market share is being eroded by the dumping of batteries that add absolutely no value in the local market, these measures sometimes take time. As such, it is always important to find ways and means to alleviate pressure from a distressed company like First National Battery, as they claim to be. We put forward an alternative to alleviate their plight, noting that NUMSA has always worked with the DOL. Given their situation of reducing costs, we proposed that we could jointly apply through the CCMA and the UIF for a training lay-off scheme which would pay the salaries of workers while we look at other alternatives that the union and company can negotiate on, especially if the company is prepared to disclose information. As if it is not funny, this company rejected all the alternatives we have advanced. Their passion represents a backward attitude which reminds us of the old apartheid order, where Black people were not regarded as people who can think. That is why we have no reason to think otherwise; we can only conclude that the only reason NUMSA's alternatives and our well-thought-through process to work with the company to save jobs was rejected is because NUMSA is a Black majority union and the workers who are being retrenched are Black and African workers.

7. We wrote to Metair Group CEO Paul O'Flaherty calling for his intervention to ensure that he organised a meeting that can find a solution to the current impasse and dispute. He didn't object to meet with us. However, he was only prepared to meet with NUMSA after workers had been retrenched. We reject this stance from the CEO of such a big strategic group in the economy of South Africa. NUMSA demands, and it is our position, that it is in the best interests of all parties that Paul must wake up and smell the coffee. He must be prepared to meet with NUMSA. That includes that as a leader of the group it cannot be that they are only prepared to give workers starvation wages and a severance package of R10 000. That baseline was only grudgingly offered after NUMSA leadership personally flew to East London to salvage the consultation process. The cost of NUMSA staff who participated in this process since it started, far exceeds R100 000 with officials flying between Johannesburg and East London. Some had to land in Port Elizabeth because there were no flights and hire a car.

8. Yet a company whose cash flow has consistently improved refuses to give workers, who will never have a job again, a decent Voluntary Severance Package (VSP) lump sum of R200,000. Settling at these higher thresholds is standard practice across various stable companies we negotiate with. Yet they have guts to tell us that these workers deserve R10 000! Our analysis of their financial cash and availability in the past couple of years can be defined as follows: We made this submission on numbers, calling on them to make a VSP lump sum amount of R200 000 so that there is no need for them to go for forced retrenchments. Instead, they must put together a decent package which must be offered to workers based on the VSP. We rejected the lie that the company is bankrupt as the figures do not correspond with the lies. It is a matter of fact that this company is financially stable. Their argument that they want to retrench because they are not financially stable is not confirmed by numbers. Below is their financial cash flow year after year which is ranging between:

- The cash generated from operations increased by more that R100 million between 2024 and 2025. In essence this is a 67% increase.
- So, net cash flow from operating activities increased by more than R90 million from 2024 and 2025 which is in essence an 82% increase.
- Cash and Cash equivalent increased by more than R100 million between 2024 and 2025, which is a huge improvement compared to the negative of R40 million in 2024.

The key take away from this deep NUMSA assessment is that there is absolutely no reason why workers should be thrown into the streets to join the sea of poverty, unemployment and inequality. The least First Battery could have done is to agree with the Union and make an offer of a decent package targeting workers closer to retirement in some companies. Usually, we would offer such packages to workers aged 55 and above. If we are not making the required number, parties by agreement can offer the same package to workers below offering them a VSP. Such a package should have been negotiated and agreed with the Union if they were not driven by a backward, primitive attitude that is anti-worker and union bashing.

Instead of First Battery senior management seriously engaging on any of these proposals, management has chosen to rush ahead with retrenchments. On Friday, 26 June 2026, the company informed NUMSA that it intends proceeding with the retrenchment of 165 employees from 1 July 2026. Indeed, workers have now been issued with retrenchment letters. NUMSA demands that First Battery immediately withdraw these notices. This decision is both unacceptable and unnecessary, and management must return to the negotiating table instead of showing the Union the middle finger.

The evidence presented during the consultation process demonstrates that management has consciously allowed the company's Original Equipment Manufacturer (OEM) business to decline. Rather than supplying locally manufactured batteries to vehicle manufacturers, First Battery increasingly imports batteries to service major automotive customers, such as BMW and the rest of the 7 OEMS. This means that products which South African workers have the skills, experience and capacity to manufacture are instead imported into the country. This is exactly how de-industrialisation has taken place in this country for the past three decades to date. As a Union we condemn any company in South Africa that takes a path that champions further de-industrialisation of our economy.

As a Union we have consistently demanded the economic cluster of government led by DTIC under honorable Minister Tau, that is about time that government must be decisive. Companies like Goodyear, which closed its manufacturing plant last year while maintaining its lucrative local distribution network, alongside companies like ZF LIFETEC, must be banned from importing products that South African factories and workers have the skills, experience, and capacity to manufacture locally, retain jobs and supply the auto industry and the rest of other sector. In our submission we even told the Minister the section of the act that can be used to justify the formation of such a position into law. We do not understand what is difficult about that when Trump makes the law to protect American manufacturing though his X handle on social media. Why can our government not to the same.

First Battery workers in Benoni, Cape Town, Durban and the majority in East London are effectively being retrenched to make way for imported products at the back of management's failure to maintain the OEM business. NUMSA demands that Metair CEO Paul O'Flaherty immediately fire the deadwood management in East London that has done nothing to grow this business. Every single South African must understand that every imported battery represents production stolen from a South African factory—production that could have supported local jobs, put food on the table for local families, developed our industrial capabilities, and driven economic growth. Instead, production and jobs are being shifted offshore, only for the finished products to be dumped back into our market, adding zero value to our economy while leaving our people unemployed.

Faced with this reality, the government, led by the DTIC, must accept responsibility for the rampant de-industrialisation facing our economy. Government must move swiftly to develop aggressive countermeasures to protect the local economy through tariffs, maximising our options within WTO rules. This includes imposing strict standards and homologation measures on imports. Government must realize that there is no substitute for a rigorous, vibrant industrial policy centered on the state-directed ownership, control, and beneficiation of our country's vast mineral endowments. We must use our mineral resources to champion local manufacturing, protect existing industrial capacity, create new jobs that pay a living wage, and build entirely new industrial sectors.

South Africa cannot continue speaking about industrialisation and localisation while allowing companies to replace locally manufactured products with imports. Every imported product that displaces local production weakens domestic manufacturing, destroys decent jobs and undermines government's own industrial policy objectives. The jobs we lose through retrenchments and plant closures are not a joke! Those jobs will never come back in whatever shape or form! We have seen this tragedy play out globally; it happened in Detroit and Chicago, where thriving industrial zones that once employed 40,000 workers were hollowed out, leaving nothing behind but museum pieces to show schoolchildren what manufacturing used to look like. In the political chemistry we can conclude that it is what led to the rise of right wing political populism which delivered the right wing Donald Trump of today who is a champion of not well thought through imposition of tariffs to protect what he feels constitute a break between the present and the past, representing nothing of the interests of the working class.

NUMSA is not confused. If Paul the Metair CEO fails to intervene, work with NUMSA to resolve the current strike, and accept that their vision and business strategy must be influenced by the Union, this retrenchment of 165 workers will be a drop in the ocean. Very soon, First Battery will close because the current adopted strategy amounts to committing class suicide in manufacturing. You cannot take clueless idiots, stubborn marketeers who have no clue of the position of a company that must drive manufacturing to drive critical sectors of the economy. South Africa cannot build an inclusive economy by importing products that our own workers are fully capable of manufacturing. Every factory that closes, every production line that is replaced by imports and every skilled worker who loses a job weakens our country's industrial future.

It is against this background that the Union demands First Battery immediately withdraw all hasty, opportunistic, and unprincipled retrenchment notices. This is not a company suffering from a shortage of money; these workers are the victims of a greedy, vicious capitalist system represented by managers who care only about maximising shareholder returns and securing their own executive bonuses.

NUMSA leadership remains ready to sit down with the Metair CEO Paul O'Flaherty and his leading detachment management. While we have absolutely no confidence in the local management team because of how it has conducted itself, we are the last ones to dictate solutions to challenges of this nature. We remain very firm that we decided to embark on a strike as a last resort. We want to advise Paul and all his managers to withdraw all unnecessary veiled threats such as that they will dismiss workers because there are no signed picketing rules. Such an attitude stinks and we absolutely reject it with the contempt it deserves. As such we have instructed NUMSA officials to approach CCMA and it must facilitate negotiations of picketing rules which parties can agree to in line with the accepted rules on what constitutes a strike. The fact that the company is anticipating misconduct before our members have even set foot on a picket line shows they are looking for an excuse to manufacture a crisis. It is a tactic completely identical to the old, racist, paranoid *Rooi Gevaar* tactics of the past, and it will fail.

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