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PRESS RELEASE

CIF AND MANWU AGREE ON MINIMUM EMPLOYMENT CONDITIONS

On Wednesday, 29 May 2013, the Construction Industries Federation (CIF) and the Metal and Allied Namibian Workers Union (MANWU) signed an agreement on conditions of employment, including minimum wages, in the construction industry. Both parties once again negotiated a two-year "collective agreement" on behalf of their members, respectively.

The agreement clearly stipulates the minimum wage requirements in Namibia's construction industry. Of immediate relevance to the industry is the adjustment to the minimum wages, which are to be increased by 9% for the first year and 9.5% for the subsequent year. The increase of minimum wages is to become applicable as soon as the Collective Agreement has become law and is promulgated in the Government Gazette accordingly.

Changes to the previous collective agreement also include an adjustment of the Service Allowance from 120 hours to 144 hours. Thus every worker will be paid equal to 144 hours of his/her wage, which will be part of the remuneration in December. This allowance will be calculated pro-rata for each fully worked month that the employee was in service during that specific year.

The wage increase after the recent negotiations was higher than in previous years, which was then 7.5% and 8%, respectively. With the simultaneous adjustment to the Service Allowance and taking into consideration an inflation rate of 6.5%, wages have effectively increased in real terms within the given mandate of both parties members.

Housing and medical services were key points on the agenda; and MANWU's demands included a housing allowance as well as medical insurance. However, the CIF, despite recognising the need, were more inclined to see these issues addressed at a national level. At the same time, it was agreed between the two negotiating parties that a Task Force would be established to address those issues affecting workers in the industry.

All construction companies are required to respect wage and other labour requirements as stipulated in the Collective Agreement. The request for extension of the new "Minimum Wage Agreement" to the construction sector at large was directly submitted to the Ministry of Labour and social Welfare. Meanwhile Government Gazette No 4970 dated 19 June 2012 remains relevant until the new Collective Agreement between the CIF and MANWU will be promulgated by the hon. Minister Doreen Sioka.

For more information, contact MANWU at Tel. 061-263100 or CIF at Tel. 061-230028 or between 8.00 and 12.30 on weekdays.

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