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PRESS RELEASE

MINIMUM WAGE INCREASES NEGOTIATED IN JULY 2015 NOW IN FORCE

The Construction Industries Federation of Namibia (CIF) and the Metal and Allied Namibian Workers Union (MANWU) emphasise the importance of adhering to minimum employment conditions in the construction industry, as promulgated in Government Gazette No. 5917, Government Notice No. 319, of 31 December 2015.

After the CIF and MANWU had negotiated the minimum wages and minimum employment conditions on 24 July 2015, government has now gazetted the collective agreement on 31 December 2015 under Section 71(5) of the Labour Act, 2007 (Act No. 11 of 2007).

The CIF and MANWU had agreed that the implementation date of the collective agreement would be the promulgation date, which is also highlighted in the Government Gazette; i.e. 31 December 2015. This means that the new minimum wages and employment conditions that had been agreed on 24 July 2015, are now applicable as the new year commences.

The promulgated collective agreement covers minimum wages for labourers and different categories of skilled and semi-skilled artisans, health and safety standards, minimum protective clothing, minimum productivity levels, living away allowances and service allowance.

The Government Gazette thus 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 10% for the first year and 10% for the subsequent year. The increase for the first year (10%) will be applicable from 1 January 2016 to 31 December 2016.

For the subsequent year the increase (10%) will be applicable from 1 January 2017 – 31 December 2017. Changes to the previous collective agreement also include an adjustment of the Service Allowance from 144 hours to 150 hours. This allowance will be calculated pro-rata for each fully worked month that the employee was in service during that specific year. This now also has become effective as from 1 January 2016.

The wage increase which was negotiated in July 2015 and becomes effective as from 31 January 2016, is higher than in previous years, which was then 9% and 9.5%, respectively. With the simultaneous adjustment to the Service Allowance and taking into consideration an inflation rate, wages have effectively increased in real terms.

Ms Bärbel Kirchner, Consulting General Manager of the CIF explains: "It is important that everyone knows that every company operating in Namibia's construction industry must pay at least the minimum wages applicable in our industry.

"We need to ensure that minimum wages are being paid by every business in our industry, and that optimal work conditions are maintained. This will ensure the avoidance of costs differentiation to the detriment of workers in the industry and would help the industry in getting closer to a more equal playing field.

"It will ensure that every employer in our industry pays decent wages and thus contributes to alleviating poverty in Namibia. Due to the delay in promulgation, some contractors have already increased minimum wages last year.

"As employers' federation for the construction industry, we are relieved that we can kick off 2016 with certainty and that the agreed minimum wage increase can now finally be implemented.

"It would be wonderful if for 2016, all contractors – Namibian and foreign companies - in Namibia's construction industry strive towards adherence of all laws, including minimum wage and employment conditions", say Ms Bärbel Kirchner.

Enforcement of minimum employment conditions by the authorities is also critical. Construction sites must be visited regularly. It is therefore important that the capacity of the labour inspectorate is optimal and that inspectors also acquaint themselves with the requirements as reflected in Government Gazette No. 5917.

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*For more information, contact:
Bärbel Kirchner, Consulting General Manager CIF, Tel. 061-230028 or at gm@cifnamibia.com*