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## IN BRIEF

### LABOUR

#### Fawu supports sugar tariffs

The local price of sugar would not increase by more than 15 percent as a result of the suggested import tariff increase of 50 percent by the Sugar Association of SA, the Food and Allied Workers Union (Fawu) said yesterday. Fawu represents about 3 000 sugar refinery workers and about 800 sugarcane-planting workers. Last week the Association of Southern African Sugar Importers said the increase in the import tariff would add R6 billion to consumers' shopping bills and raise the cost of production for the food, beverage and confectionery industry. Fawu said it anticipated a reasonable increase in prices but added that should price rises exceed 15 percent it would ask for a review of the tariff. The union also said it "will be making submission to the International Trade Administration Commission on why the tariff hike on sugar and related products is necessary to protect our sugar industry". The sugar association also requested a review of the "dollar-based reference price", which is used to measure international sugar prices when setting tariff thresholds. - Zandi Shabalala

## News in Brief

### Fawu to march over concerns about sugar tax

THE FOOD and Allied Workers Union (Fawu) will march to the National Treasury in Pretoria today to protest against the pending introduction of a sugar-sweetened beverages tax, now referred to as the sugar tax. "The determination to mount this march was informed by [the] admission from the Treasury and their researchers that there will be job losses emanating from this sugar tax and the silly claims that those lost-jobs will be fictitiously created elsewhere, say in bottled water or 100 percent juices factories, yet there is no scientific study to prove this," Fawu general secretary Katishi Masemola said yesterday. "We support a quest for a healthy nation and want an obesity-free population... However, we do not believe that a tax on sugar-sweetened beverage products will be a mechanism to achieve the intended health objectives," Masemola said. "We think this will simply become another 'sin tax' like those taxes on alcohol and tobacco products. If this tax... is introduced as a health policy intervention we beg to differ and we can argue with alcohol and tobacco that those taxes may not have worked as claimed as policy steps," he said. - ANA

### Banana estates slip on union rights

MORE than 2 000 employees at organic banana producer, Umbhaha Banana Estates Farms in Komatipoort, Mpumalanga, yesterday went on an unprotected strike in pursuit of union recognition. The Food and Allied Workers Union (Fawu) called on the supplier of food chains, including Pick n Pay, "to do the right thing". Fawu wants the employer to realise that even though 863 of its members were striking, the strike was supported by virtually all workers and, therefore, the employer should do the right thing. The right thing for the Umbhaha Estates is to meet the demands of Fawu on behalf of its members," the union said in a statement. The estates supplies about 15 percent of the South African market. - Dineo

BUSINESS REPORT, Mon 28 Nov 2016



## 'DIVISIVE ELEMENTS' TARGETED

# Fawu decides to quit Cosatu

Theto Mahlakoana

**LIMPOPO:** The Food and Allied Workers Union (Fawu) has declared a mission to rid itself of "divisive elements" and focus on servicing members following its decision to exit Cosatu.

The 75-year-old organisation, a founding Cosatu union, made the historic decision of ditching Cosatu yesterday at its elective congress in Bela-Bela, Limpopo, after a two-year battle with the federation.

Delegates representing the union's 127 000 members warned that they were not done with pro-Cosatu elements, and would now gun for those members who had formed a faction that opposed resolutions taken at its national executive committee meetings.

The group had also launched several litigations over 17 months, leading to the postponement of Fawu's congress seven times since 2015.

"It is stressful to expect leaders of an organisation hamstrung by paralysis to be able to deliver in terms of the work they've been elected for.

"It's difficult for an organisation to operate and deliver services to members when it is under constant, consistent attack," said Fawu general secretary Katishi Masemola.

Although six of the seven provinces represented at the congress voted to leave Cosatu, with the exception of the Western Cape, when demanding that the "divisive" members be removed, they all sang from the same hymn book.

"Please use the little money



KATISHI MASEMOLA

we have so that those who are flying away can go home today; we have already lost millions because of them," said Fawu Limpopo leader Peter Mashishi as he called on congress to expel them.

His sentiments were echoed by other provinces, which lashed at the faction for costing the union millions by dragging it to court several times. The latest legal battle was on the eve of the congress, but the court ruled their application to interdict the meeting was not urgent.

"If the money we spent on legal expenses was divided among Fawu members, we would all have a lot of money, which makes us angry as to how we could allow that to happen. The decision has been taken - we don't want them in Fawu any more," said Raymond Mampuru, from Gauteng.

While Cosatu said it would respond to queries today over its next move after Fawu's

decision, Mampuru and others said they were elated to have parted ways with the federation.

The delegates said that many times they felt Cosatu was not acting in their interest. They believed Cosatu's perceived lack of campaigns against the state's new sugar tax would help lead to 70 000 job losses.

Also, the dominance of public sector unions in Cosatu had compromised private sector unions where workers were most exploited, they said.

Fawu also resolved to sever all ties with the ANC-led tripartite alliance.

The sore point remained the expulsion of the National Union of Metalworkers of SA (Numsa) from Cosatu in 2014 and the dismissal of Zwelinzima Vavi as general secretary.

While the congress has yet to resolve on whether to join a new labour federation being formed by Numsa, Vavi and others, it is considered a feasible alternative.

"There's a vacuum as a result of the Numsa expulsion. We don't hear Cosatu debate around the political economy with regards to dollar/rand exchange, import and export tariffs. We don't hear any of that any more.

"We are facing a challenge, the sugar tax, we hear in terms of analysis 60-70 000 workers in the beverage manufacturing sector will lose their jobs as a result. We must leave Cosatu and participate in the formation of a new labour federation," Fawu Mpumalanga leader Enerse Mmako said.

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Picture: KURT ENGEL

## er eviction

It has so much potential to bring people together." Unathi Nyanti works on the Tyisa Jabanye Garden Project in the area, which provides food for the community and is also sold at a market every Sunday in the area.

He also faces eviction and aid because he did not know how the future looked, he could not put all his efforts into growing the garden.

"What would happen if we plant more crops and then have to leave? It would be a waste."

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# Fawu vows to oppose AB InBev, SABMiller merger

Siseko Njobeni

THE FOOD and Allied Workers Union (Fawu) has vowed to oppose Anheuser-Busch (AB) InBev's acquisition of SABMiller as it demands the disbandment of the SAB Zenzele scheme so that employees who are part of the scheme can benefit from the mooted transaction like other SABMiller shareholders.

Throwing a spanner in the works, Fawu remained steadfast in its opposition to the deal. The union said yesterday that it noted "with concerns" the commission's approval of the transaction, "given the flawed understanding of the so-called special dividend payment undertaking by the merging parties or by AB InBev".

The planned merger received a huge boost when the Competition Commission recommended last month its approval with conditions.

## Ownership

The union was scheduled to present its case to the Competition Tribunal tomorrow, according to general secretary Katishi Masemola.

Masemola said on Friday that, in terms of the Trust Deed of the Zenzele Employee Share Ownership Program, there was an acceleration clause that allowed for the scheme to be brought to a quick end based on the change of control and ownership.

"That clause ought to be invoked so that employees who are part of that scheme can also benefit from the deal, like other shareholders."

He said the union rejected AB InBev's proposed special dividend payment. "To be blunt, this is a loan... an unsolicited loan that could be illegal."



The Food and Allied Workers Union is demanding the disbandment of the SAB Zenzele scheme. FILE PHOTO: BLOOMBERG

He said the dividend payment would erode the net asset value of the shareholding to each individual beneficiary. Zenzele is SAB's broad-based black economic empowerment scheme with beneficiaries including an employee share trust. The scheme will mature in 2020.

Masemola said ending the Zenzele scheme was the "first prize" for the union.

An alternative, he said, was an ex-gratia once-off payment of an average of R165 000 for each beneficiary. This would cost the merging firms about R1.5 million, he said.

"We hope to convince the tribunal that this is not a mere shareholders' dispute to be referred to some arbitration or filed with the Johannesburg Stock Exchange, but a serious public interest issue that warrants a condition providing for equal treatment attached as

part of the approval.

"We... reiterate that we are comfortable with the agreement... between government and the merging parties, such as on-job security and supplier support fund, as well as the other conditions recommended by the commission, such as the sale of SAB's stake in Distell wine and spirits," he said.

## Conditions

In a bid to get approval, AB InBev agreed to a number of public interest conditions. These include commitment not to retrench staff as a result of the deal and setting aside R1bn to support emerging farmers.

The company said it would finance 800 new emerging farmers and 20 new commercial farmers. AB InBev agreed to the conditions following Economic Development Minister Ebrahim Patel's intervention.

Bus Report, Mon 16 June '16