

South Africa Mining Industry Warns on Week-Long Strike Threat
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(Bloomberg) -- A South African mining union is threatening to shut down large swaths of the industry in a week-long sympathy strike that producers warn would undermine an already struggling sector.

The Association of Mineworkers and Construction Workers issued notice to at least 15 companies for a secondary strike starting late next week, the Minerals Council South Africa lobby group said in a statement Friday. AMCU has been on strike at Sibanye Gold Ltd.'s gold mines since November, after it refused to sign a wage deal agreed to by other unions.

South Africa's precious-metals mines are among the world's deepest and most labor intensive and companies are under constant pressure to contain costs. Yet high unemployment and inequality mean labor relations are inevitably fraught.

AMCU's plans for an industry-wide strike marks a return to escalated conflict between South African mining companies and workers. In 2014, the union held the longest-ever strike in the world's largest platinum industry. Wage negotiations for producers of the metal are expected this year.

"It is unfathomable that AMCU would willingly call for secondary strikes in an industry that is already in jeopardy," Minerals Council Chief Executive Officer Roger Baxter said in an emailed statement on Friday. "This would undermine employment and the livelihoods of millions of dependents."

AMCU on Thursday delivered notifications at companies including AngloGold Ashanti Ltd., Anglo American Platinum Ltd. and Lonmin Plc, as well Sibanye's platinum operations.

At prevailing prices, 71 percent of gold mining operations were either marginal or loss making and more than 50 percent of platinum group metals production was unsustainable, according to the council. Employment in the gold sector declined by 10 percent since 2017.

The companies are considering the notices and will look at options to avert the secondary strike, including legal recourse, the council said.

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