

A Bargaining Support Publication

**WAGE
REVIEW REPORT
2024**

LRS.ORG.ZA

Supporting negotiators with simplified data, context, and trends

Table of Contents

Introduction	03
Definitions and methodology	04
Price Inflation: Cost of Living	05
Unemployment rate	06
Gross Domestic Product	07
Household Food Basket Index	08
Wage outcomes	09
Median wage increases by trade unions	11
Wage floor and increases bargaining councils	12
Conclusion	14
References	15

Introduction

The purpose of this report is to look at the outcomes of median minimum wages and wage settlements from various collective agreements for the period of 2024. LRS reviewed 561 collective agreements covering 2 034 816 workers.

Unions successfully secured wage settlements above inflation rates, with minimum wages rising across all sectors, including the National Minimum Wage. **Table 1** shows the median and average wages for 2024. The median minimum wage was R6166, and the average was R8052. This represents a 7% nominal wage increase

for both, resulting in a real wage increase of 2.6%, given the inflation rate of 4.4%. The median weekly hours worked were 45, which is higher than the average of 44 hours.

Table 1: Median Minimum Wages, Average Inflation and Real Wage Increases 2024 All Industries

	2024 Median Minimum Wage (Rands)	Actual Wage Increase (%)	Average Inflation (%)	Real Wage Increase (%)	Hours of work (weekly)
Median	6166	7	4.4	2.6	45
Average	8052	7	4.4	2.6	44

Bargaining power begins with knowledge.

Collective bargaining remains a vital tool for ensuring decent work.

However, its effectiveness is under attack on multiple fronts. Employers frequently use tactics, such as invoking Section 189 and restructuring, to resist wage demands and diminish union influence. Unions continue to achieve wins despite facing challenges.

Bargaining is strategic and ongoing rather than a routine task. Thorough preparation for negotiations is essential, regardless of experience. Understand how to calculate wage demands, learn how inflation is determined and its implications, grasp percentages and the relation to various wage categories, and analyse company financials.

Definitions

Bargaining Council:

These agreements are concluded between associations of employers and one or more trade unions.

Cash Wage or Nominal Wage:

This is the amount of money that an employer pays a worker, for example, if a worker earns R3 500 per month then that is the worker's cash wage.

Consumer Price Index (CPI):

Measures the change over time in the general price level of goods and services that households buy for the purpose of sustaining themselves (consumption). Put simply, CPI is a weighted average of the price of goods and services that households purchase. CPI is used to measure the price level in the economy and is published by Statistics South Africa on a monthly basis.

Median Wage:

A median wage is the boundary between what the highest 50% of workers are paid and what the lowest 50% of wage earners are paid. Thus, if the median wage in South Africa is R3 033, it means that 50% of workers are earning above the median wage and 50% are paid below it.

Minimum Wage:

This is the lowest wage (entry level) permitted by law or a negotiated collective agreement.

Plant Level Agreements:

These are agreements that are concluded between a single employer and one or more trade unions. Bilateral agreements include large national companies with many plants or branches as well as small employers with only a single outlet.

Real Wages:

This refers to the value of the wage in terms of what it can buy, that is, the purchasing power of the wage. It is called a real wage because it has taken the effects of rising prices (inflation) on workers' wages into account.

National Minimum Wage:

The lowest hourly rate permitted by the government that an employer can pay to its employees.

Methodology

The data is sourced from the LRS Actual Wage Rates Database (AWARD). AWARD captures minimum wage information across all sectors.

An estimated 2 034 816 workers are covered by a sample of 561 collective agreements drawn from the bargaining council and company-level agreements.

The category of workers is generally located at the minimum entry-level wage or the lowest wage in the bargaining unit.

The LRS sourced the collective agreements through visiting union offices and using email, telephone and fax correspondence.

The process of analysing the collective bargaining agreements was affected by the uneven cooperation from union regional offices in submitting the documents to the LRS.

Price Inflation

The term inflation means a sustained increase in the general level of prices for goods and services. It is measured as an annual percentage increase.

The average inflation rate for 2024 was 4.4%, down from 6% in 2023.

The headline annualised inflation rate increased to 3.2% in January 2025, from 3% in December 2024.

The annualised inflation rate for food decreased to 1.5% in January 2025, from 1.7% in December 2024.

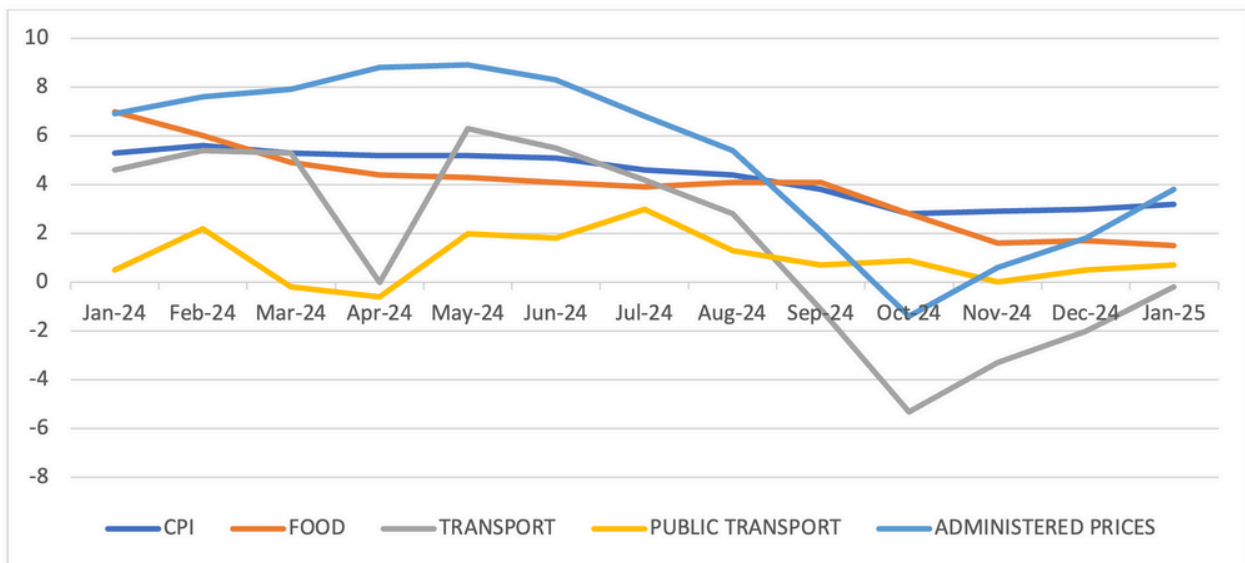
The annualised inflation rate for transport improved to -0.2% in January 2025, from -2.0% in December 2024.

The annualised inflation rate for public transport rose to 0.7% in January 2025, from 0.5% in December 2024.

The administrator's price index rose to 3.8% in January 2025, from 1.8% in December 2024.

The average inflation rate for 2024 was within the reserve bank's targeted range of 3% to 6%.

Figure 1: Consumer Price Index (CPI) and selected price categories | January 2024 to January 2025



Source: Statistics South Africa (2024)

Table 2: Consumer Price Index (CPI) and selected price categories | January 2024 to December 2024

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
CPI	5,3	5,6	5,3	5,2	5,2	5,1	4,6	4,4	3,8	2,8	2,9	3
FOOD	7	6	4,9	4,4	4,3	4,1	3,9	4,1	4,1	2,8	1,6	1,7
TRANSPORT	4,6	5,4	5,3	5,7	6,3	5,5	4,2	2,8	-1,1	-5,3	-3,3	-2
PUBLIC TRANSPORT	0,5	2,2	-0,2	-0,6	2	1,8	3	1,3	0,7	0,9	0,0	0,5
ADMINISTERED PRICES	6,9	7,6	7,9	8,8	8,9	8,3	6,8	5,4	2,1	-1,4	0,6	1,8

Source: Statistics South Africa (2024)

Unemployment Rate

Quarter 4

31.9%

Quarter 2

33.5%

Quarter 3

32.1%

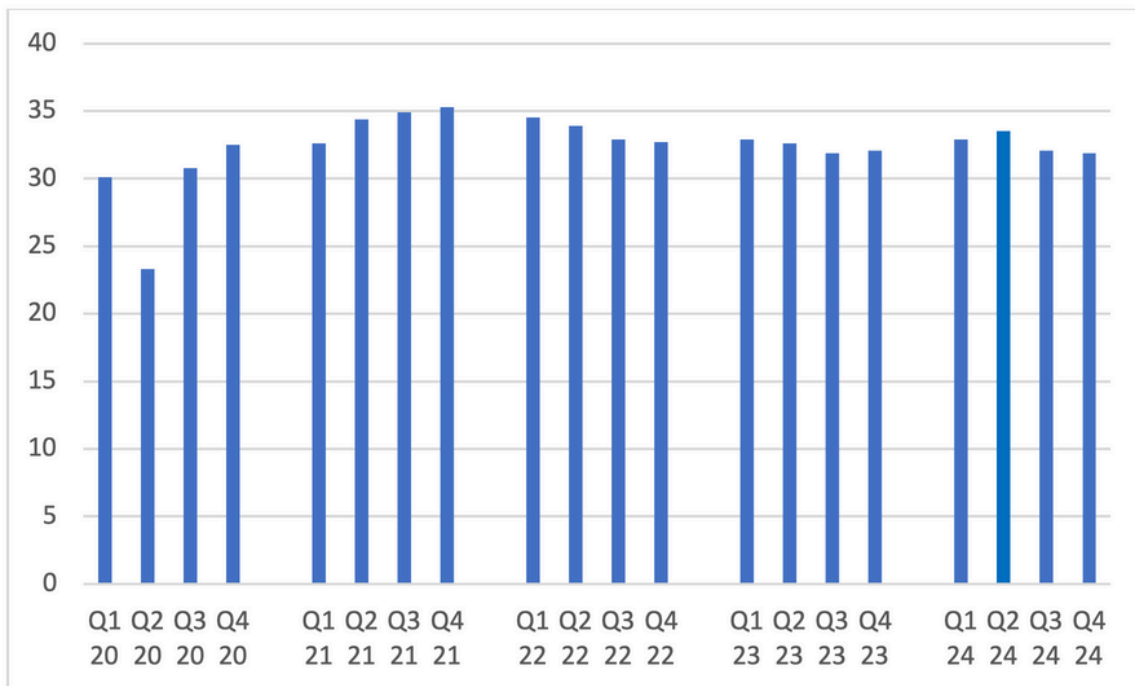
Quarter 1

32.9%

The unemployment rate reflects the proportion of the labour force that is without work.

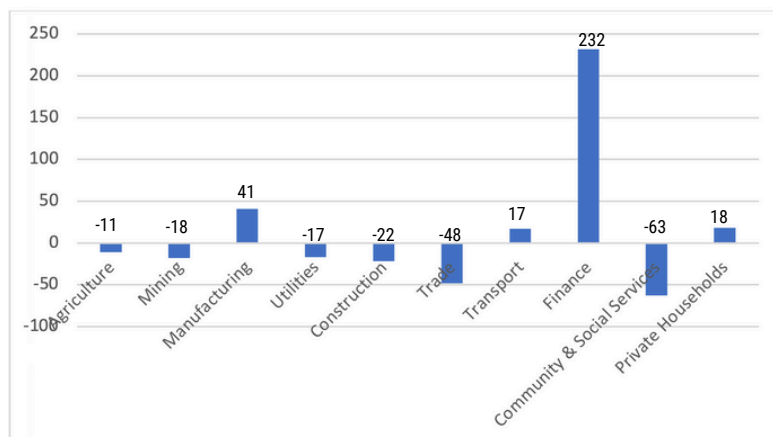
The official unemployment rate declined to 31.9% in the fourth quarter of 2024, down from 32.1% in the third quarter.

Figure 2: Unemployment Rate (%) 2020-2024



Source: Statistics South Africa (2024)

Figure 3: Unemployment Rate (%) Q4 2024



Source: Statistics South Africa (2024)

Employment shifts for Q3 and Q4 of 2024

Employment increased in 4 out of 10 industries:

- Finance (+232000)
- Manufacturing (+41000)
- Private Households (+18000)
- Transport (+17000)

The largest job losses were recorded in:

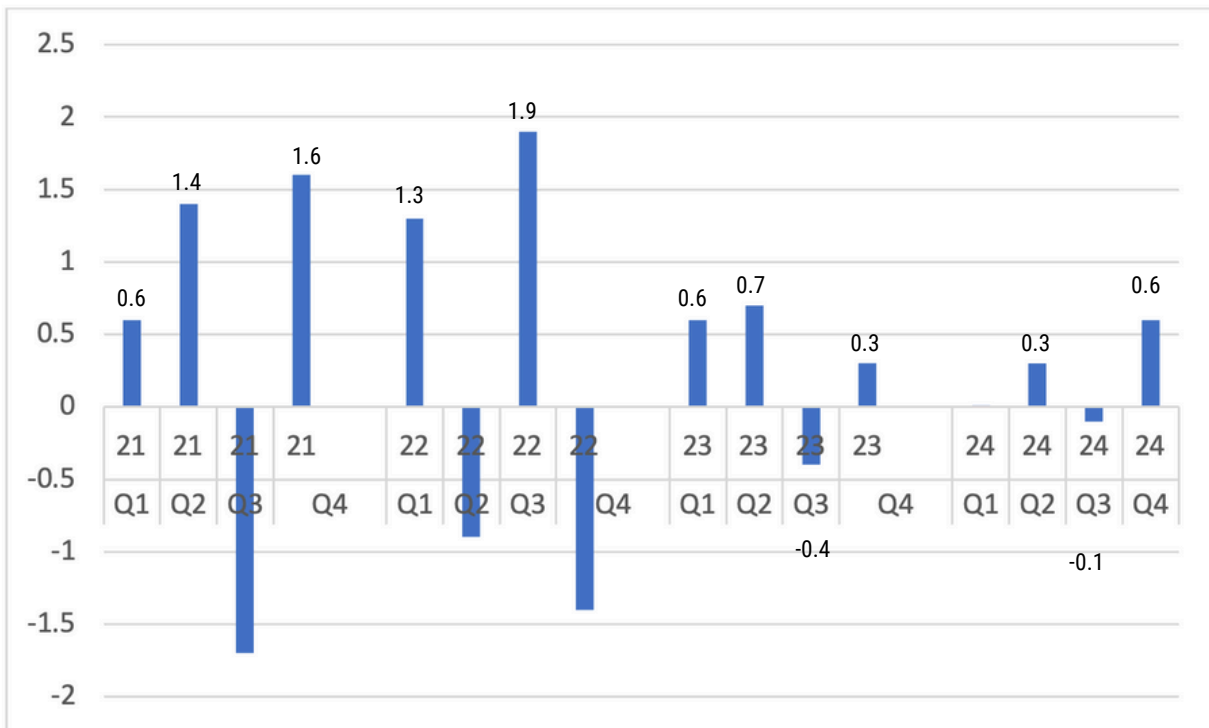
- Community & Social Services (-63000)
- Trade (-48000)
- Construction (-22000)

Gross Domestic Product (GDP)

The GDP is an indicator or tool used to measure the country's economy. It represents the total of the market value, or prices, of all final goods and services produced in an economy during a period of time. GDP is expressed as comparison to the previous year or quarter.

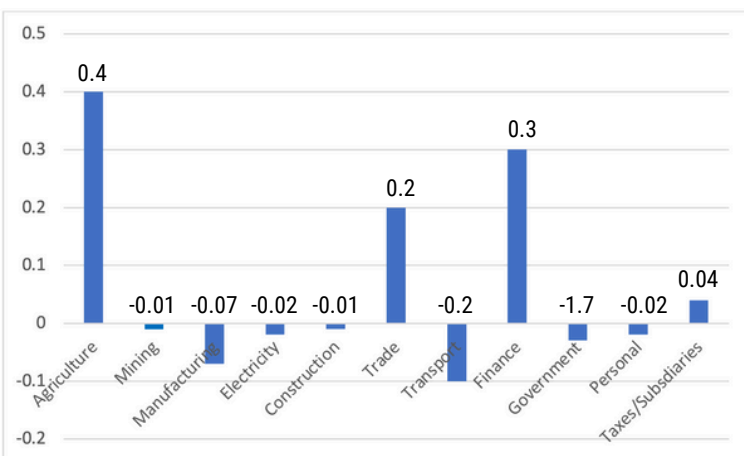
Real gross domestic product measured by production increased to 0,6% in the fourth quarter of 2024, after a decline of -1,6% in the third quarter of 2024.

Figure 4: Growth in GDP % 2021-2024



Source: Statistics South Africa (2024)

Figure 5: Contributions to growth (%) in GDP by industries in Q4 2024



Source: Statistics South Africa (2024)

Top 3 contributors to GDP growth



AGRICULTURE

0.4%



FINANCE

0.3%



TRADE

0.2%

Month-on-Month Household Food Basket Index

The household food index is specifically designed to measure food price inflation as experienced by households living on low incomes in Pietermaritzburg, but may be used to give insight on food price inflation as experienced by households living on low incomes in South Africa.

The cost of the household food basket increased from R4917 in January 2023 to R5383 in January 2024.

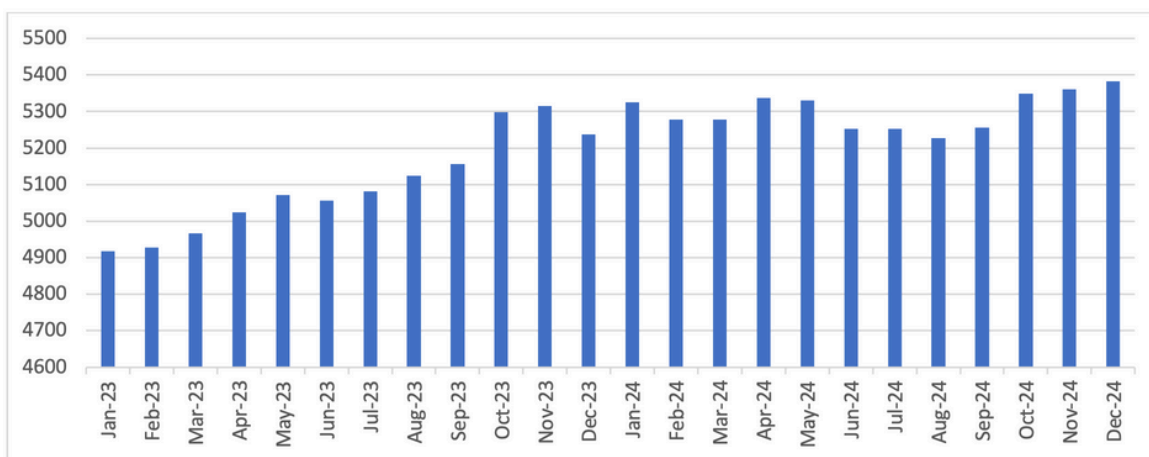


The cost of the average household food basket increased by

R466

That's a **9.4%** increase between January 2023 and December 2024.

Figure 6: The Cost of the Household Food Basket | JAN 2023 to DEC 2024



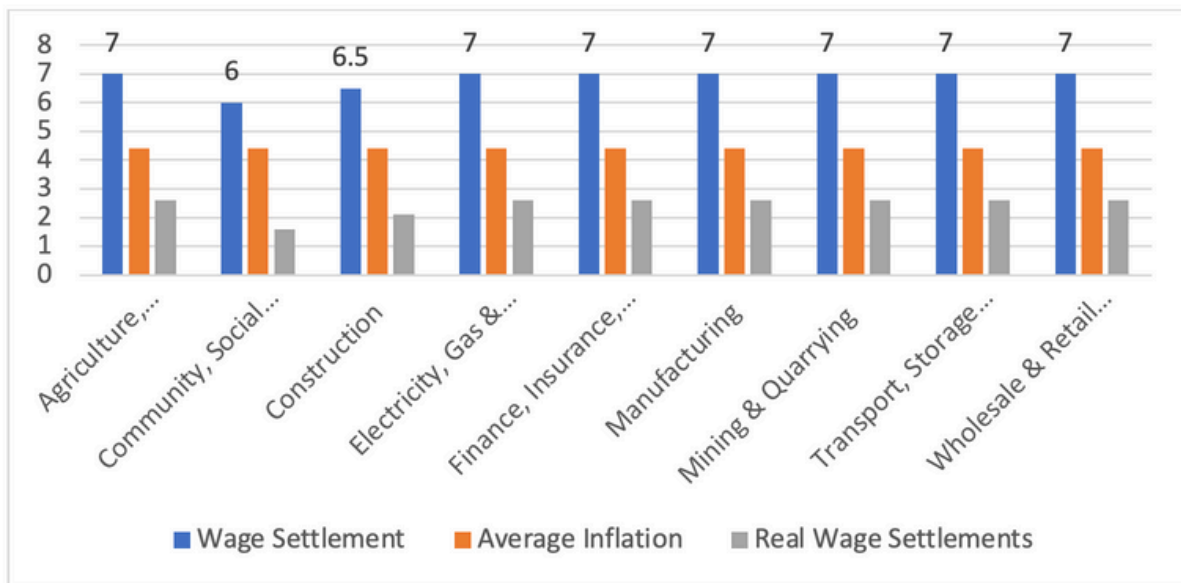
Source: Pietermaritzburg Economic Justice and Dignity

Wages Outcomes 2024

The highest real median wage increases of 7% were recorded in agriculture, electricity, finance, manufacturing, mining, transport, and wholesale. The lowest increases were in community services (6%) and construction (6.5%).

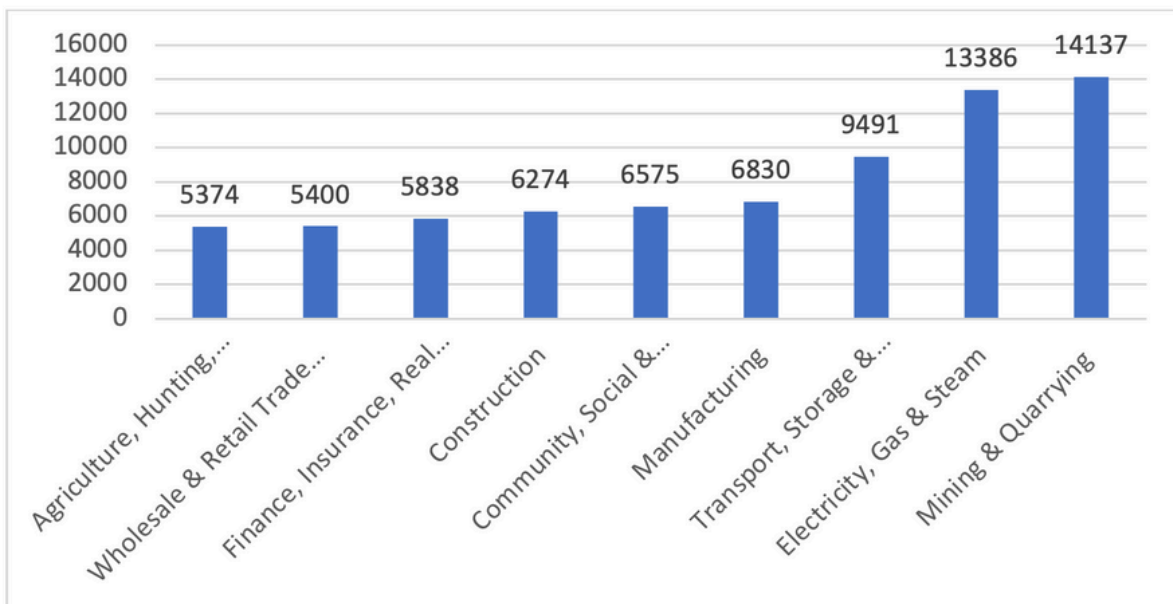
Nominal median settlements were above inflation, leading to consistent real wage increases. **[Figure 8]** The highest median minimum monthly wage was R14137 in mining and quarrying for a 45-hour work week. The lowest was R5374 in agriculture, hunting, forestry, and fishing for the same hours.

Figure 7: Industry Wage Increase, Average Inflation, and Real Wage Increase 2024



Source: LRS Actual Wage Rates Database (AWARD)

Figure 8: Industry Median Minimum Wage Floor 2024



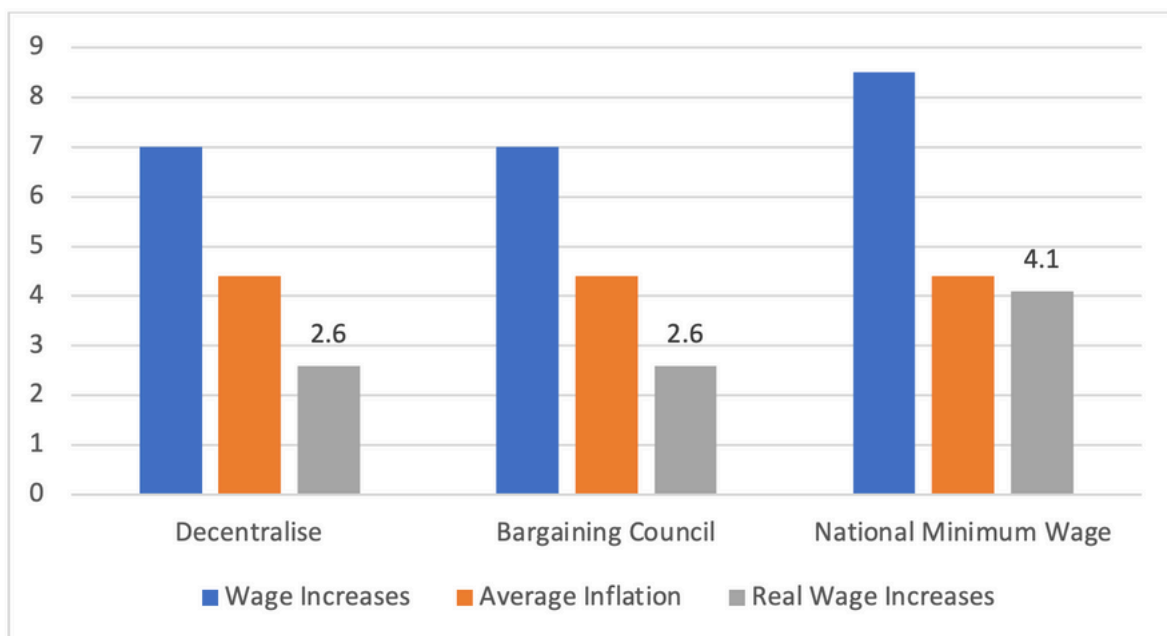
Source: LRS Actual Wage Rates Database (AWARD)

Figure 9 shows median wage settlements by decentralised bargaining, bargaining councils, and the national minimum wage adjustment in 2024.

When we factor in the average inflation rate, the national minimum wage real wage increase was 4.1% higher than the 2.6% attained by the two organised bargaining levels.

Both decentralised and bargaining council settlements recorded a 7% increase, lower than the 8.5% adjustment in the national minimum wage.

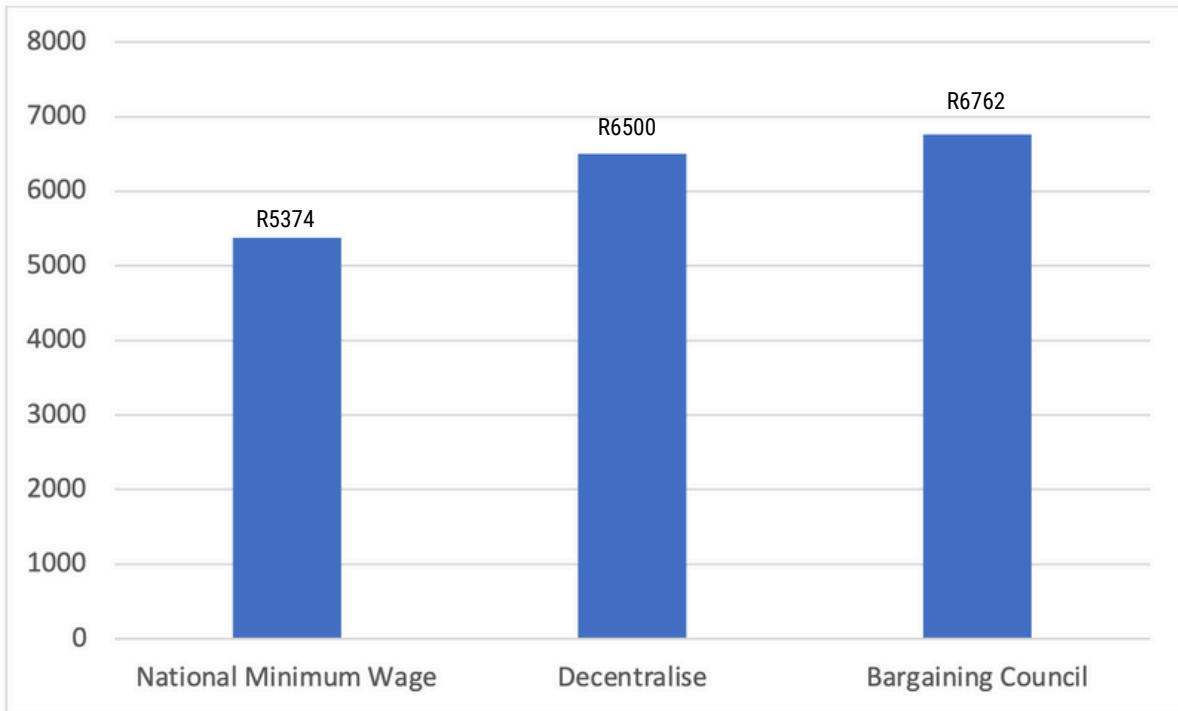
Figure 9: Bargaining Level Wage Increase, Average Inflation & Real Wages Increases 2024



Source: LRS Actual Wage Rates Database (AWARD)

Figure 10 shows that the National Minimum Wage was the lowest at R5374. The decentralised level median minimum wage was R6,500, and the bargaining council median minimum wage was R6762 per month.

Figure 10: Minimum Wage Floor by Bargaining Level 2024



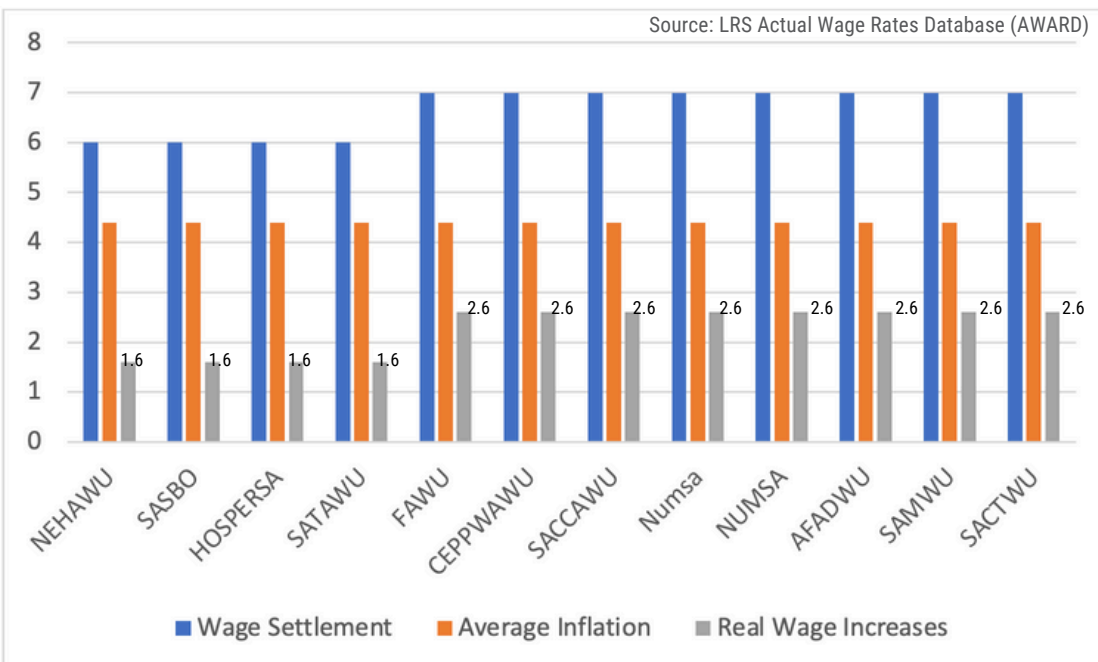
Source: LRS Actual Wage Rates Database (AWARD)

MEDIAN WAGE INCREASES BY TRADE UNIONS IN 2024

Figure 11 shows that NEHAWU, SASBO, HOSPERSA, and SATAWU recorded the lowest median wage settlements of 6% in 2024. FAWU, CEPWWAWU, SACCAWU, NUM, NUMSA, AFADWU, SAMWU, and SACTWU achieved a median settlement of 7%.

Nominal wage settlements were above inflation, leading to real wage increases. With an average inflation rate of 4.4%, unions that secured 6% settlements saw a real increase of 1.6%, while those with 7% settlements gained a 2.6% real increase.

Figure 11: Wages, Average Inflation and Real Wage increase by Trade Unions 2024



MINIMUM WAGE FLOOR AND WAGE INCREASES IN BARGAINING COUNCILS IN 2024

Table 3: Minimum Wage Floor Across Bargaining Council, 2024

Bargaining Councils	Monthly Wage 2024	2024 % Inc. On Actual wages
Clothing Group A (Clothing)	5016	6,5
BCBI-Northwest Boland Area A	5152	4
Fishing (Inshore)	5184	7
BCBI-Bloemfontein	5232	8,5
Hairdressing & Cosmetology Trade (Pretoria) Division 112 Wonder boom	5254	6
Furniture Manufacturing (Johannesburg)	5255	6
Textile (Home Textile)	5336	7,1
Food Retail, Retail, Catering & Allied Trade Area A	5374	8,5
Fast Food, Restaurant, Catering & Allied Trades (Employers with 10 or less employees)	5374	7,1
Sawmilling Sector (NBCWPS)	5379	6
Electrical Area F	5406	5,8
Meat Trade Gauteng	5475	8
Restaurant, Catering and Allied Trades Wits	5519	7
Textile (Blanket) Urban Areas	5616	7
Bargaining Council for Contract Cleaning <u>Durban, Pinetown, Inanda & Chatsworths</u>	5674	6
MIBCO Sector 6 Only Other Areas	5743	5
BCBI-Port Elizabeth & <u>Uitehage</u> Regions	5774	6,5
BCBI-Southern & Eastern Cape	5774	6,5
Laundry, Cleaning & Dyeing Non-Commercial (Natal)	5835	6
National <u>Bargaining</u> Council for the Private Security Sector (Area 3)	5855	6,4
Clothing Group A (Millinery)	5946	6,5
Textile (Braiding)	5947	6,5
Clothing Group B (Knitting)	6127	6,5
Leather (General Goods & Handbags)	6222	7
Grain Co-Operative GWK	6500	6
Textile (Worsted Spinners) B	6762	7,25
Fishing Deep sea	6862	7
BCBI-Cape Peninsula Area A	7091	6,3
Textile (Accessories)	7517	6,5
Petroleum (NBCCI)	8104	6,5
Textile (Woven Crochet)	8123	6,5
Textile (Wool & Mohair Broking)	8238	6,75
Glass (NBCCI)	8332	6
Textile (Non-Woven Textile)	8636	6,5
National Bargaining Council Road Freight Logistical Industry (NBCRFLI)	8669	7
Canvas Goods BC	8807	6
Textile (Woven Cotton)	8947	6,5
South Africa Road Passenger Bargaining Council (SARPBC)	9383	5

FMCG (NBCCI)	9496	6,4
Sugar Manufacturing & Refining (Illovo) uMzimkhulu	9880	7
Civil Engineering	9937	6,5
South African Local Government Bargaining Council (SALGBC)	10103	6
Motor Ferry Industry BC	10118	6
Industrial Chemicals (NBCCI)	10180	6,5
Public Service Coordinating Bargaining Council (PSCBC)	10247	4,7
Textile (Fibre)	10421	6,6
Pharmaceutical (NBCCI)	10653	7
MEIBC (General Wage Increase)	10936	7
Textile (Wool & Mohair Processing)	11528	6,5
Transnet SOC Limited	11865	6
New Tyre Manufactures Bargaining Council	18050	6
	Median	6762
	Average	7625
		6

Source: LRS Actual Wage Rates Database (AWARD)

Conclusion

This report highlights key outcomes of median wage settlements and minimum wage floors negotiated through collective bargaining by trade unions in 2024.

Despite ongoing economic challenges, wage settlements in 2024 consistently outpaced the inflation rate.

The median minimum wage negotiated by unions also continued to rise, reinforcing efforts to improve the earnings of workers across sectors.

The National Minimum Wage also increased, further contributing to wage growth during the year.

Bargaining tips

Start with inflation: Wage negotiations should begin with the current inflation rate as the baseline. A mutually agreed inflation figure should guide all negotiations.

Look forward, not backward: Inflation reflects past data, while wage increases apply to the coming year. Bargaining should anticipate future cost-of-living pressures.

No sub-inflation deals: Unions should not accept wage increases below inflation without compelling reasons, as this reduces workers' real income.

Go beyond wages: Wage increases alone are not enough. Unions should also push for worker development, such as skills training and education opportunities.

Challenge executive pay: Union negotiators should speak out against excessive management and CEO salary increases, especially when companies are not **profitable**.

Consider cost-of-living realities: Don't rely on average inflation alone. Focus on components that hit workers hardest, such as food, transport, public services, and administered prices. Statistics South Africa shows inflation impacts vary by income level.

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