

Chinese textile firm to appeal CCMA ruling

By [Sanchia Temkin](#), Professional Services Editor

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Chinese textile company Tai Yuen is to ask the Labour Court to review a R17,5m award made against it by the Commission for Conciliation, Mediation and Arbitration (CCMA).

The award was made last week in favour of the bargaining council for the textile industry after a dispute over an attempt to impose their salary rates on the company.

The textile bargaining council had no right to impose such rates, Deneys Reitz director Bruce MacGregor and Tai Yuen's lawyers said at the weekend.

"The bulk of Tai Yuen's products fall under the clothing bargaining council and not the textile council", MacGregor said.

Tai Yuen is part of the Yulon Group, a diversified multinational company with its head office in Taiwan. The Yulon group is best known for its manufacture of Nissan and Mitsubishi vehicles under licence, and is one of the world's largest vehicle manufacturers.

MacGregor said there were flaws in the CCMA award. He said the CCMA did not have jurisdiction to deal with the matter, including imposing a fine. "The commissioner, at the very least, should have identified the need for a demarcation exercise to be undertaken, especially where there had been interaction between Tai Yuen and the clothing bargaining council."

Deneys Reitz will be proceeding on the basis that Tai Yuen was paying wages in accordance with their legal requirements, he said.

In the event of the Labour Court reviewing and setting aside the award, Tai Yuen would seek to have the wages issue dealt with by the clothing bargaining council, he said.

In 2004 the company was encouraged to invest through programmes offered by the KwaZulu-Natal economic affairs department and the tourism and trade and industry departments. The company had subsequently invested R500m in the first phase of a textile plant and had planned to invest further amounts of up to R200m in subsequent phases.

MacGregor said it was unfortunate that the department had not been forthcoming with various promised discounted electricity prices. "As a result, a further matter was to be heard in the high court in terms of which the Mpofana Municipality and Tai Yuen are in dispute over electricity supply rates."

MacGregor said that the municipality had failed to upgrade its power infrastructure on time which had resulted in the company being unable to commission R50m worth of machinery, limiting its rate of expansion and the rate at which it was creating jobs.

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