

Oil union rejects govt appeal to cancel strike – Saleh urges workers to renegotiate



KUWAIT: A general view shows the Shuaiba oil refinery yesterday. Oil workers plan to go on strike today in protest against what they call the government's plan to cut their annual benefits and bonuses. — Photo by Yasser Al-Zayyat

KUWAIT: The oil sector employees' union reiterated its determination to go ahead with its strike today, turning down an appeal from the acting oil minister to call off the total strike in protest at alleged pay cuts and to accept negotiations, adding all preparations had been made. The union explained that all employees would show up as usual wearing their official uniforms to sign in and out. "The strike will start from 7:00 am till 3:00 pm or during official working hours," explained the union, adding employees and workers working morning or afternoon shifts would go on strike according to their working hours.

Minister of Finance and acting oil minister Anas Al-Saleh yesterday urged oil workers' unions to uphold public interests, rationality and wisdom to avoid causing damage to the Kuwaiti oil sector, and consequently pushing the country into disputes that could harm its reputation, both at home and overseas. The critical stage the Kuwaiti economy is experiencing due to the fall in oil prices prompts unity and working according to a joint vision to keep away causing any harm to the oil sector and the development process it is going through, Saleh said in a statement yesterday.

KPC and its affiliate companies reiterate preservation of workers' rights, wages, bonuses and indemnities, and the way the latter is calculated, as well as other advantages they have gained through labor agreements and the arbitration authority, the minister added. The KPC and subsidiaries still call on the oil trade unions to take part in a proposed joint commission, which is one of workers' demands, to work on a conciliatory solution and overcome this critical stage, Saleh noted.

He pointed to the enormous challenges facing the Kuwaiti economy, which prompted the state to take serious steps to counter them in all sectors, in addition to crystalizing an obvious economic vision to manage oil wealth, the backbone of the national economy. He added that the KPC and its subsidiaries had freezing the suggested retrenchment initiatives during the negotiation period as per articles 131 and 132 of Law 6/2010, out of their responsibility for the size of risks and challenges the oil sector is facing. The minister concluded by calling for necessarily maintaining the oil sector, which is the backbone of Kuwait's national economy, and giving top priority to the country's higher interest.

The union, however, immediately rejected the minister's call as offering nothing new and said the strike will go ahead from today morning. "The strike will go ahead as planned," union chief Saif Al-Qahtani said, holding oil companies and the minister responsible for the strike and the potential losses from it.

Meanwhile, Kuwait Oil Co yesterday started taking special measures to face the proposed strike, said oil sources, noting that 70 percent of gathering centers, gas booster stations and water processing plants had been shut down by KOC and that similar steps had been taken by Kuwait Petroleum Corp. Kuwait National Petroleum Company (KNPC) also said yesterday it was closing some units at Ahmadi refinery for routine maintenance, dismissing reports the closures were related to the planned strike, said state news agency KUNA. KNPC said the closures were planned in advance as part of a clean fuels project being implemented at the Mina Al-Ahmadi and Mina Abdullah refineries. It added that it may close one or more of the total 52 units at Ahmadi as part of an emergency plan, if necessary.

Commenting on the strike, cleric Sheikh Ajeel Al-Nashmi said strikes that lead to disruption of public services and affect people's interests are religiously 'haram' (forbidden). Nashmi posted a tweet saying that delaying the work of people, namely those related to services like electricity, water and the more important oil sector, and the possible losses this would lead to is strictly haram.

Hit by a sharp drop in crude prices, Kuwait is introducing a new payroll scheme for all public employees and wants to include the country's 20,000 oil workers, which would mean an automatic cut in wages and incentives. The union has not said how long the strike, involving thousands of workers at state-owned oil, gas and petrochemical companies, would last.

KPC said the workers union had boycotted negotiations called for Thursday by the social affairs and labor ministry. It said KPC had offered to "suspend" all spending cuts if the union agreed to join a committee to negotiate a settlement. Union chief Qahtani said the negotiations were illegal and aimed only at preventing the strike. The union is also protesting plans to privatize parts of the oil sector. "The KPC statement is talking about 'freezing' the decisions, while our demand is to cancel them," said Qahtani. "The strike is still on and on time."

Kuwait National Petroleum Company (KNPC), a subsidiary of KPC and one of five state-owned companies that would be affected, has said there is a contingency strategy to ensure production and exports would not be affected. KPC had called on the unions to work with it to find a way out of the dispute, and warned that under Kuwaiti laws it was illegal to obstruct work in public facilities in areas such as oil, gas and petrochemicals.

"There is no doubt that the commotion contains a direct and major threat to the stability of the oil sector which represents the main economic artery for the country's revenues and is the source of its wealth and prosperity," the statement said on Thursday. It said that anyone inciting a work stoppage risked "subjecting himself to legal questioning". Other firms whose workers plan to join the strike include KOC, Kuwait Oil Tanker Company, Equate Petrochemical Industries Company and Kuwait Gulf Oil Company.

Strikes are relatively common among public sector workers in Kuwait – one of the world's richest countries per capita – compared to other Gulf states such as the United Arab Emirates, where unions are banned. OPEC-member Kuwait pumps three million barrels of crude per day and has three refineries with a combined capacity of 930,000 bpd.

By A Saleh, Meshaal Al-Enezi and Agencies

Like 222 Share 1

This article was published on 16/04/2016