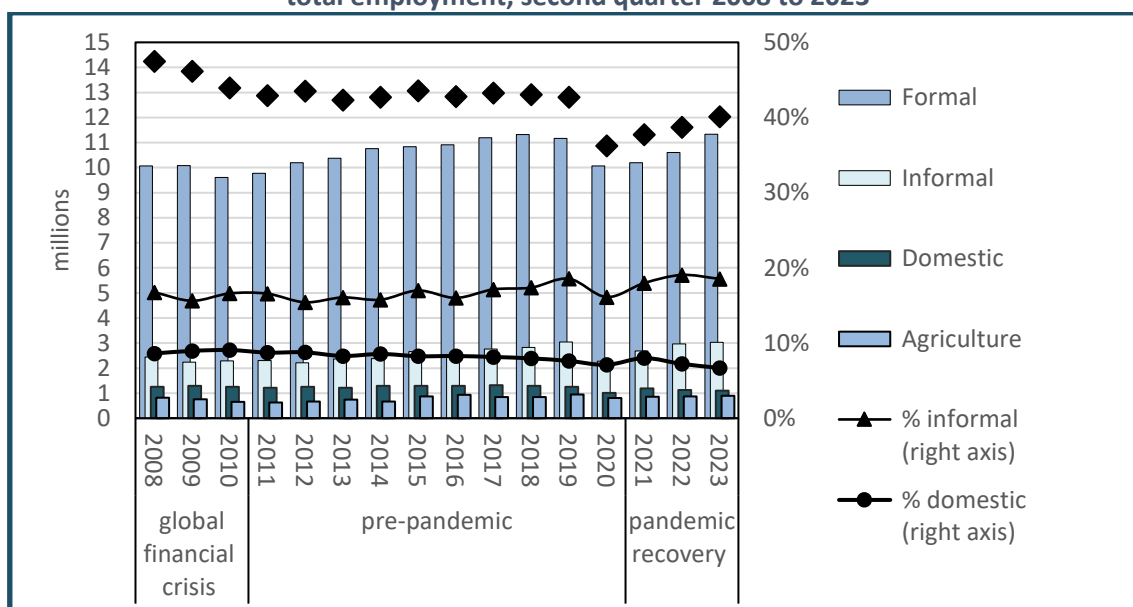


Employment

Employment climbed rapidly from the second quarter of 2022 to the second quarter 2023, adding 780 000 positions. Almost all of the net job gains were in the formal sector, with the strongest showing for retail, sales and elementary positions. Manufacturing kept pace with overall jobs growth, but the picture was mixed at industry level. Metals, clothing and auto saw gains while net job losses emerged in chemicals and machinery and food processing remained flat.

In the year to the second quarter of 2023, total employment climbed by 780 000 positions to reach 16.3 million. Almost all of the gain in net jobs was in the formal sector. As a result, the employment ratio – the share of all working-aged people with employment – rose to 40%. That represents a strong recovery from the pandemic low of 36% in the second quarter of 2020, although still far under the pre-pandemic figure of 43%. (Graph 6.)

Graph 6. Formal, informal, domestic and agricultural employment in millions, with the employment ratio (a) and share of informal and domestic work in total employment, second quarter 2008 to 2023

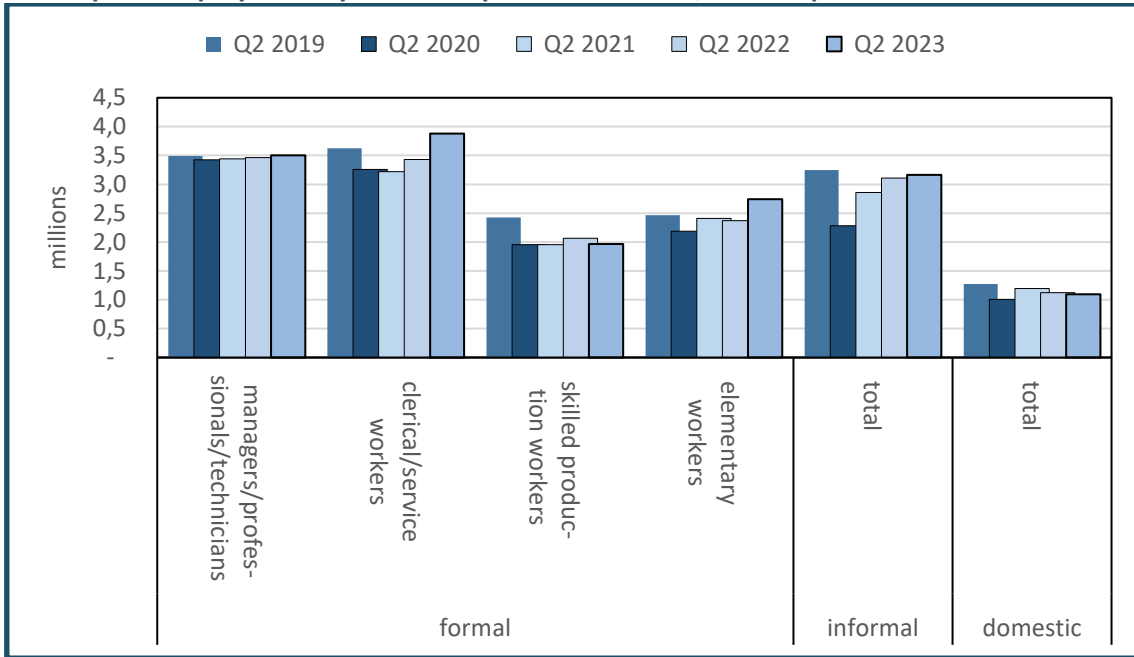


Note: (a) Employed as percentage of total working age. Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q2. Excel spreadsheet

Within formal employment, retail and services plus elementary jobs grew rapidly in the year to the second quarter of 2023, surpassing their pre-pandemic levels (Graph 7). Professional jobs only edged up, and skilled and semi-skilled jobs, mostly in manufacturing, mining and construction, declined. Domestic and informal work have flattened out as the formal sector has begun to generate more jobs.

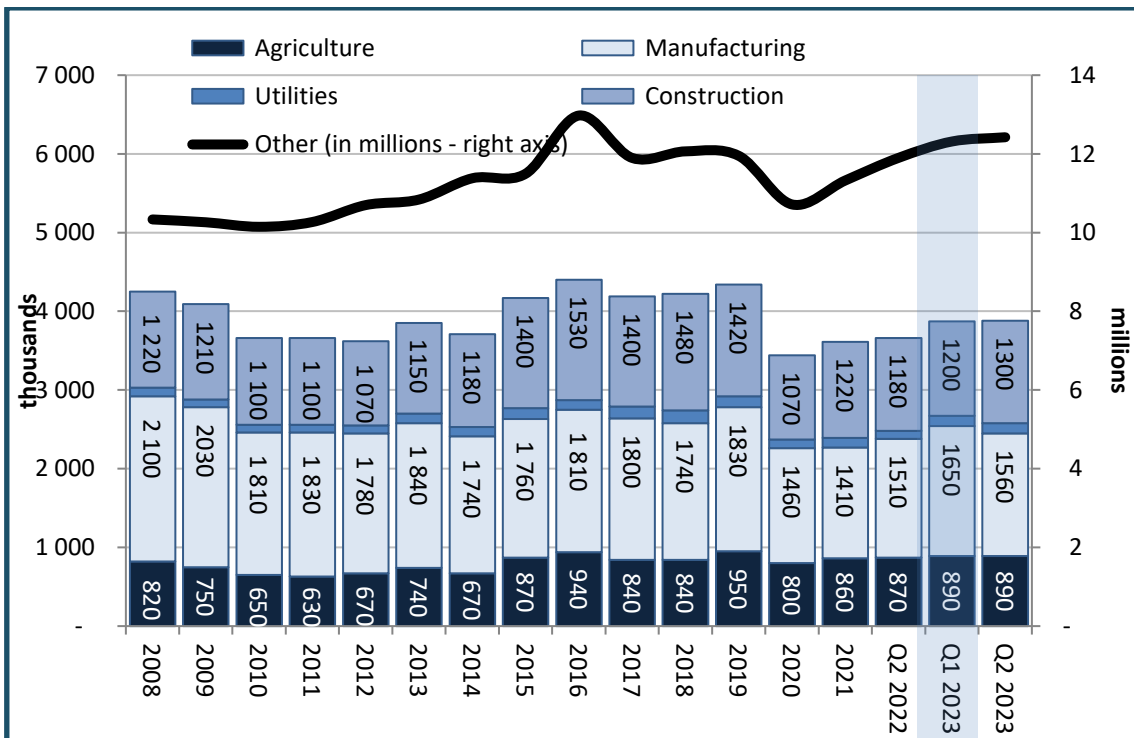
Manufacturing employment climbed slightly in the year to second quarter 2023, by around 50 000 jobs, while agriculture remained flat. In contrast, construction showed significant growth, generating 120 000 net new positions. The bulk of new jobs growth occurred in the services and retail, however (Graph 8), quarter-on-quarter manufacturing declined, but the data are not seasonally adjusted and the sector has generally seen net job losses from the first to the second quarter of each year.

Graph 7. Employment by main occupation and sector, second quarters of 2019 to 2023



Source: Calculated from Statistics South Africa. QLFS Trends 2019Q2-2023Q2. Excel spreadsheet.

Graph 8. Employment in agriculture, manufacturing, utilities and construction compared to the rest of the economy, 2008 to 2021, second quarter of 2022 first quarter of 2023 and second quarter 2023

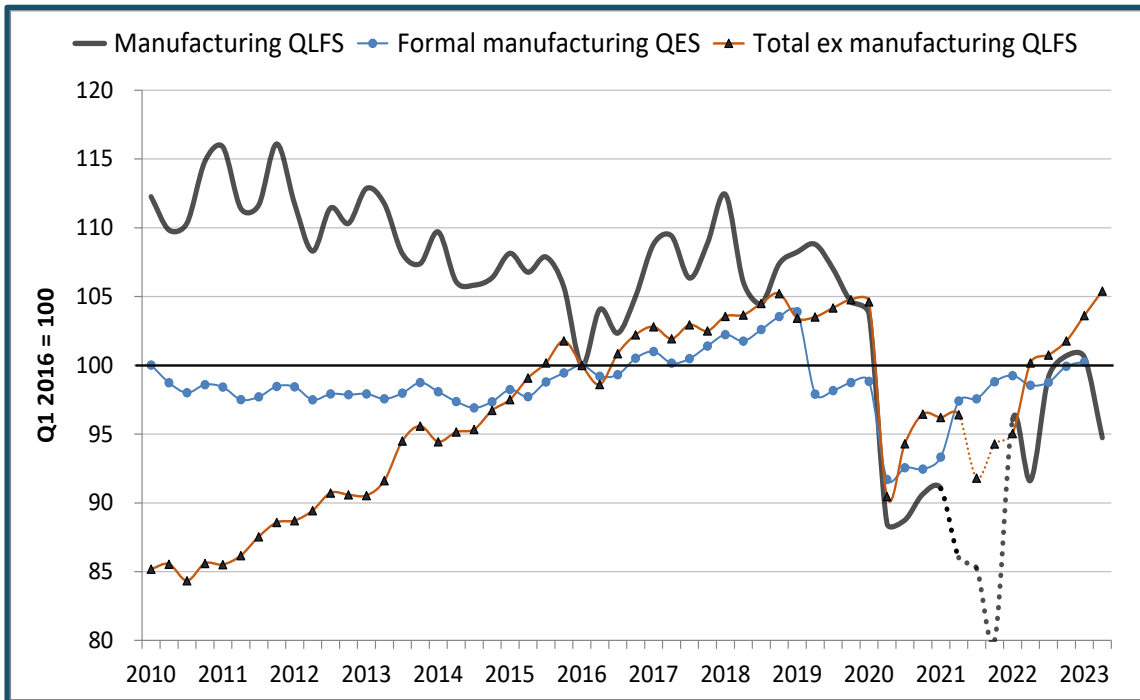


Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q2. Excel spreadsheet.

Manufacturing employment recovered in line with the rest of the economy until second quarter of 2023. The data from the Quarterly Labour Force Survey (QLFS), derived from a household

survey, fluctuates significantly more than the Quarterly Employment Statistics (QES), which covers only VAT registered formal firms and appears a quarter later. Still, the trends in both sets are similar from 2016. (See Graph 9). The QLFS data suggest that while manufacturing job creation lagged far behind the rest of the economy in the first half of the 2010s, it has since largely kept pace.

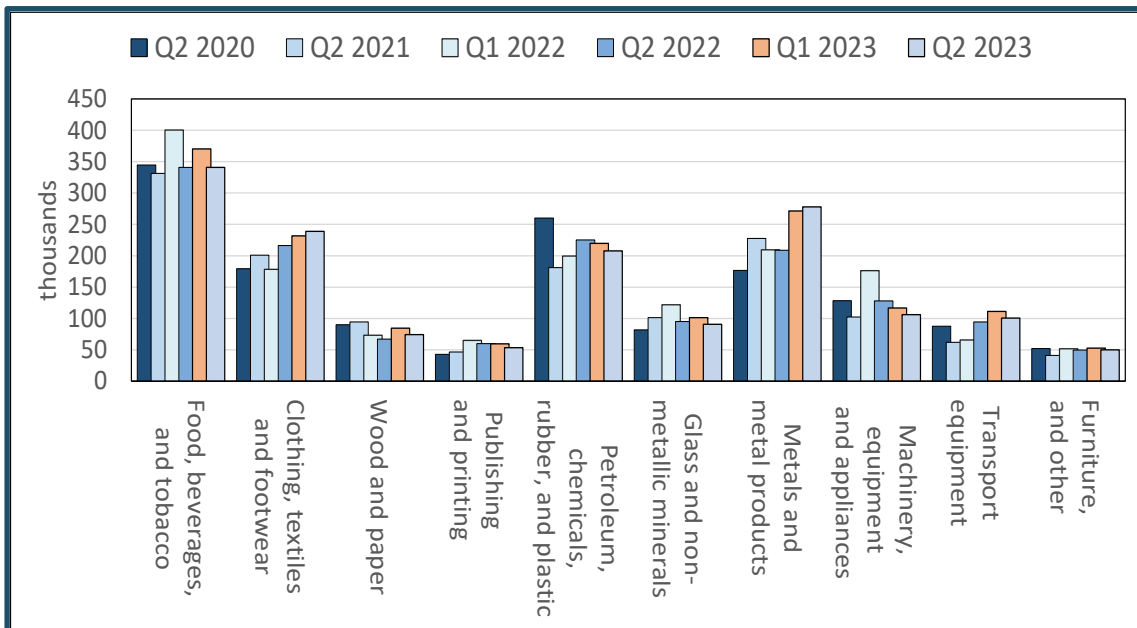
Graph 9. Indices of employment in manufacturing and the rest of the economy from the QLFS and in formal manufacturing from the QES (Q1 2016 = 100)(a)



Note: (a) QLFS data for the second half of 2021 were severely affected by low response rates. Source: Calculated from Statistics South Africa. QLFS for relevant quarters. Electronic databases. QES. QES Details Breakdown. Excel spreadsheet.

Graph 10 shows that within the manufacturing sector, in year-on-year terms employment expanded significantly in clothing, metal products and auto. It was, however, flat in the largest employer, food processing, and declined in the chemicals value chain and machinery equipment as well as most smaller industries.

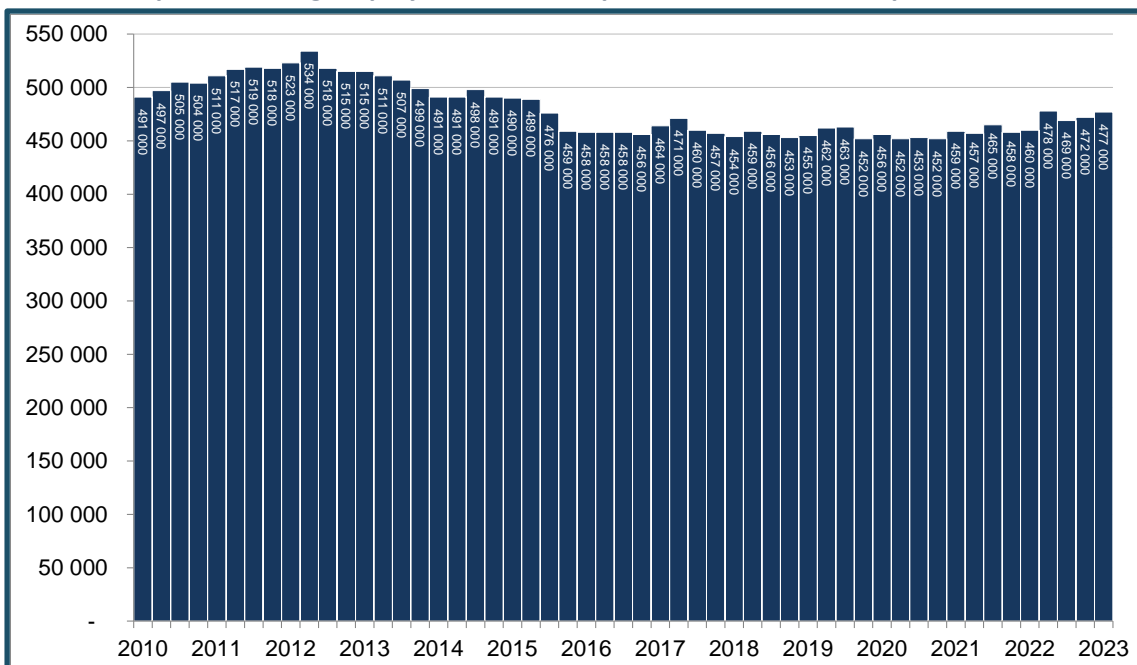
Graph 10. Employment in manufacturing industries, second quarter 2020, 2021, 2022 and 2023 and first quarter 2022 and 2023



Source: Calculated from Statistics South Africa. QLFS for relevant quarters. Electronic databases.

Statistics South Africa recommends using the QES to track employment in mining, so data are only available to the first quarter of 2023, when the total came to 477 000. Growth in mining employment has been fairly steady since 2020, bolstered by higher although very volatile metals prices since the pandemic and then the Russian invasion of Ukraine. Still, it remains more than 10% below its peak in 2012, at the end of the long 2010s commodity price boom.

Graph 11. Mining employment, second quarter 2010 to second quarter 2023



Source: Statistics South Africa. Quarterly Employment Statistics. Detailed breakdown. Second quarter 2023 Excel spreadsheet.