

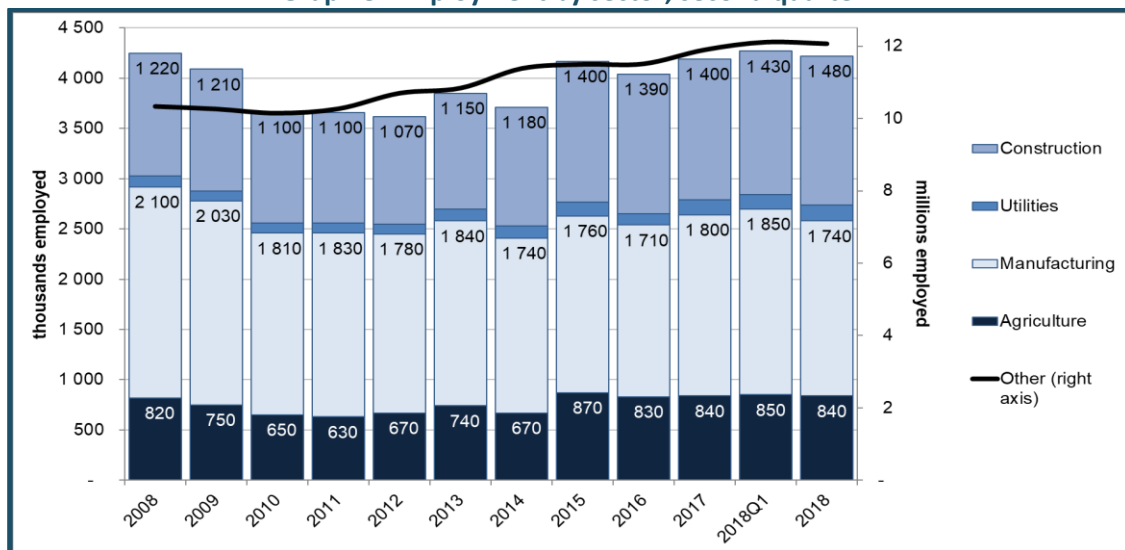
## Employment

Despite the slowdown in the GDP, employment in both the real economy and the economy as a whole reportedly increased by around 1% from the second quarter of 2017 to the second quarter 2018. Manufacturing, however, lost some 55 000 jobs, or 3% of its total employment, over this period. Manufacturing typically sheds jobs in the second quarter, in a marked seasonal pattern, but at 110 000 the fall in the second quarter of 2018 was far larger than the norm.

The real economy (with the exclusion of mining, which is captured in a different statistical series) gained 46 000 jobs in the year to the second quarter of 2018, to reach 4.2 million in total.

Growth was mainly driven by the construction sector, which added some 80 000 jobs in this period (see Graph 8). In the second quarter, the real economy as a whole typically sheds jobs; in 2018, it lost 46 000 positions or 0.8% of the total, slightly below the normal seasonal fall.

**Graph 8: Employment by sector, second quarter**



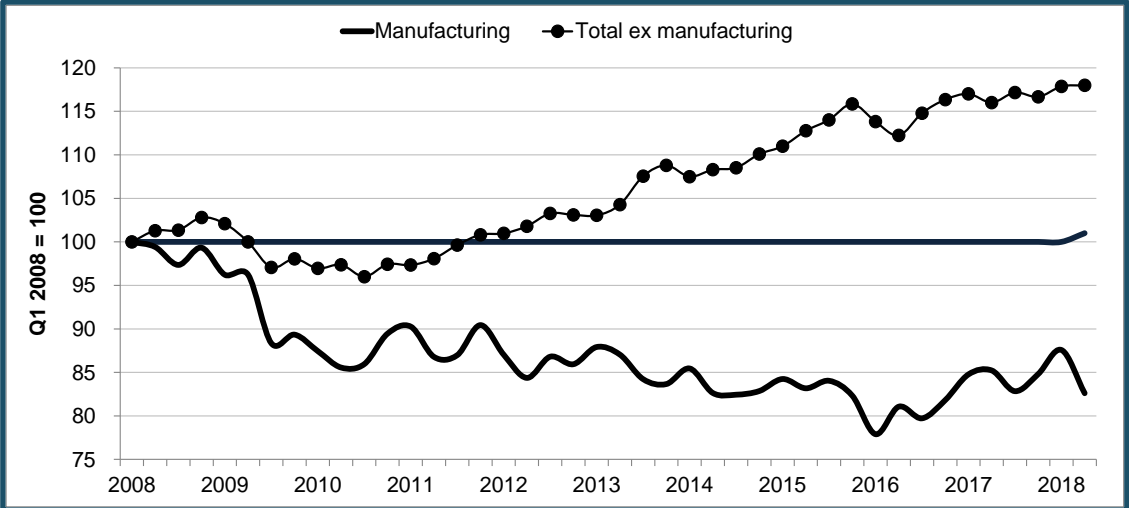
Source: StatsSA. QLFS trends 2008 - 2018Q2. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in August 2018.

Manufacturing saw an unusually sharp fall in employment in the past quarter, losing 110 000 jobs. That meant it reportedly shed almost 6% of its jobs, compared to its normal seasonal decline of just over 1% in the second quarter.

In contrast, construction recovered 50 000 jobs, for growth of 3%, substantially more than its normal gains for the quarter. Still, since 2016 it has plateaued at just below 1.5 million. Despite the sharp reported fall in agricultural production, its employment remained essentially unchanged for the quarter. In most years, in contrast, it experiences substantial seasonal job losses as the second quarter sees the end of harvest for many crops.

As Graph 9 shows, the sharp decline in manufacturing employment in the second quarter of 2018 follows an unusually steep increase reported for employment in the previous six months. It appears that, despite the quarterly fluctuations, it has effectively levelled out at around 15% below its 2008 peak, before the global financial crisis, with virtually all job growth since then occurring in the rest of the economy.

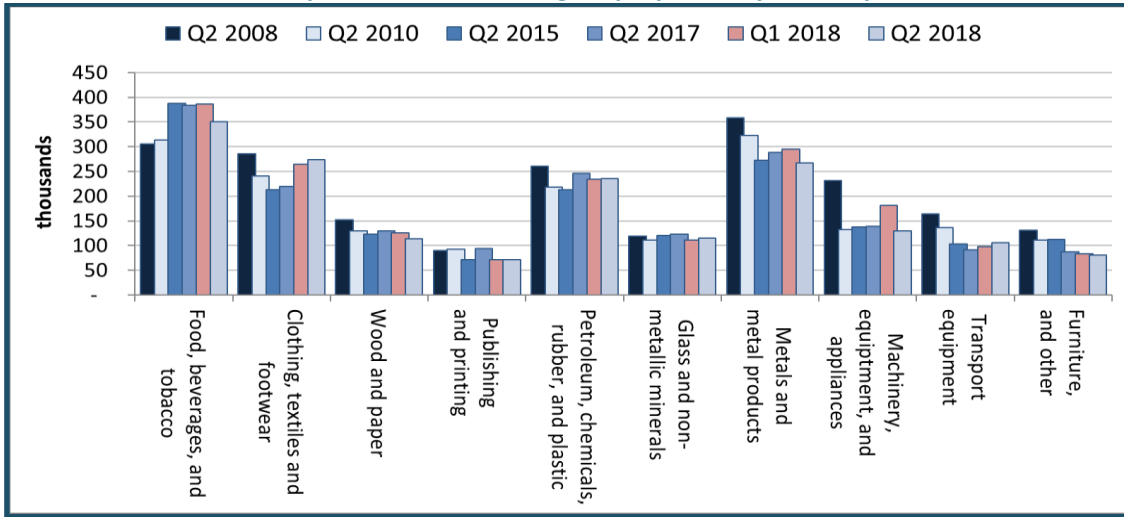
**Graph 9: Index of manufacturing and other employment**



Source: StatsSA. QLFS trends 2008 - 2018Q2. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in August 2018.

Graph 10 disaggregates employment by manufacturing subsector. Year-on-year, the most impressive gains occurred in clothing, textiles and footwear, suggesting that the Department of Trade and Industry’s support programme has begun to make progress. In contrast, two of the largest industries for employment – food and metals – showed a decline for the year, while chemicals and transport equipment gained jobs.

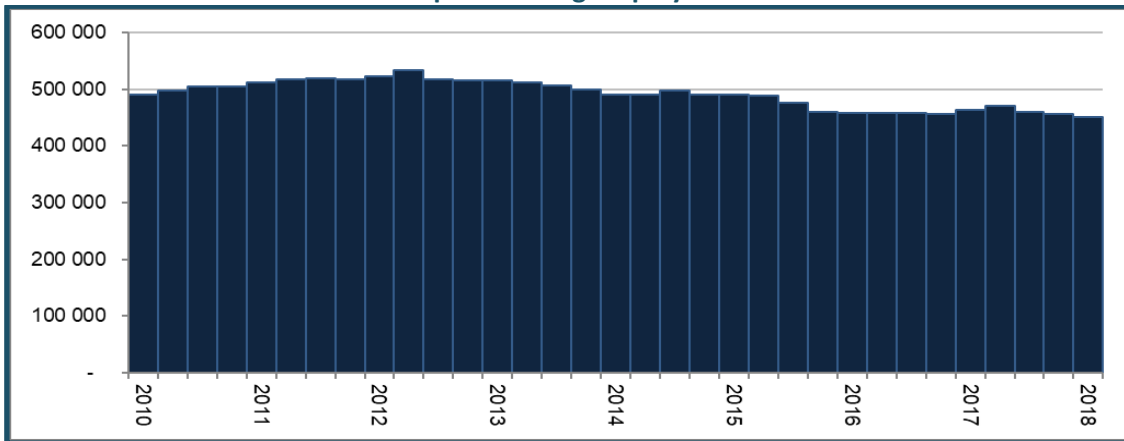
**Graph 10. Manufacturing employment by industry**



Source: StatsSA. QLFS trends. Electronic database. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in August 2018.

Mining employment has declined since 2012, when the global metals boom ended. It lost 14 000 jobs in the year to the first quarter of 2018, falling to 450 000. Mining employment shrank by over a tenth from March 2012 to March 2018.

**Graph 1: Mining employment**

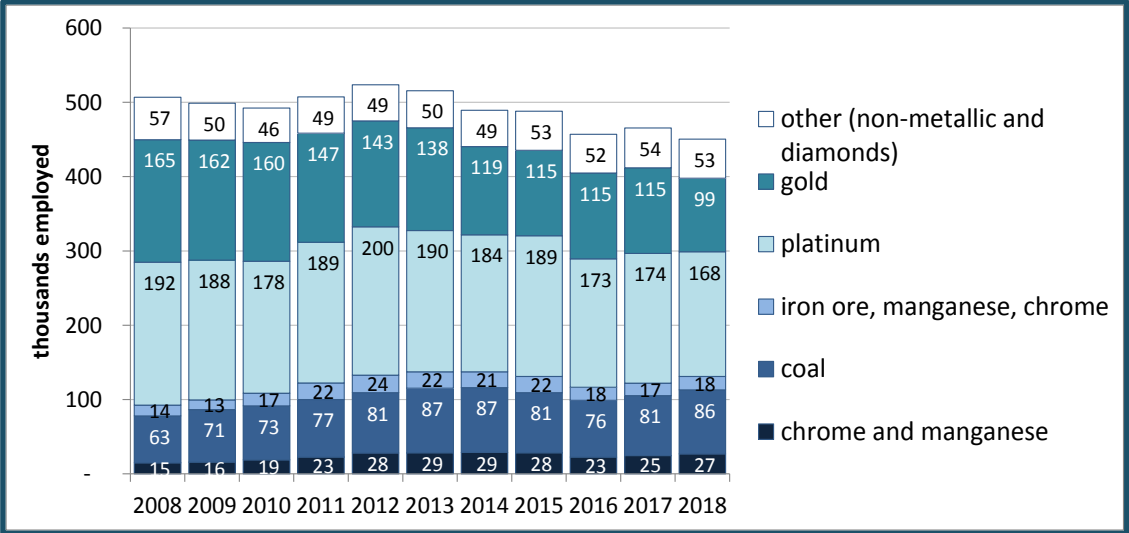


Source StatsSA. Quarterly Employment Statistics. August 2018

As Graph 12 shows, the bulk of job losses were in gold mining, continuing a long-term decline as that industry matures. From March 2012 to March 2018, gold lost 44 000 jobs, dropping from 27% of total mining employment to 22%. Platinum employment shrank by 32 000 in this period. Other mining – largely iron, manganese and chrome, diamonds and construction materials –

mostly involved open pit operations and employed comparatively few people. It accounted for 40% of total mining jobs, and saw virtually no change in employment from 2012 to 2018.

**Graph 12. Employment by mining product**



Source: Department of Mineral Resources. Monthly employment data. Downloaded from Quantec EasyData in August 2018.