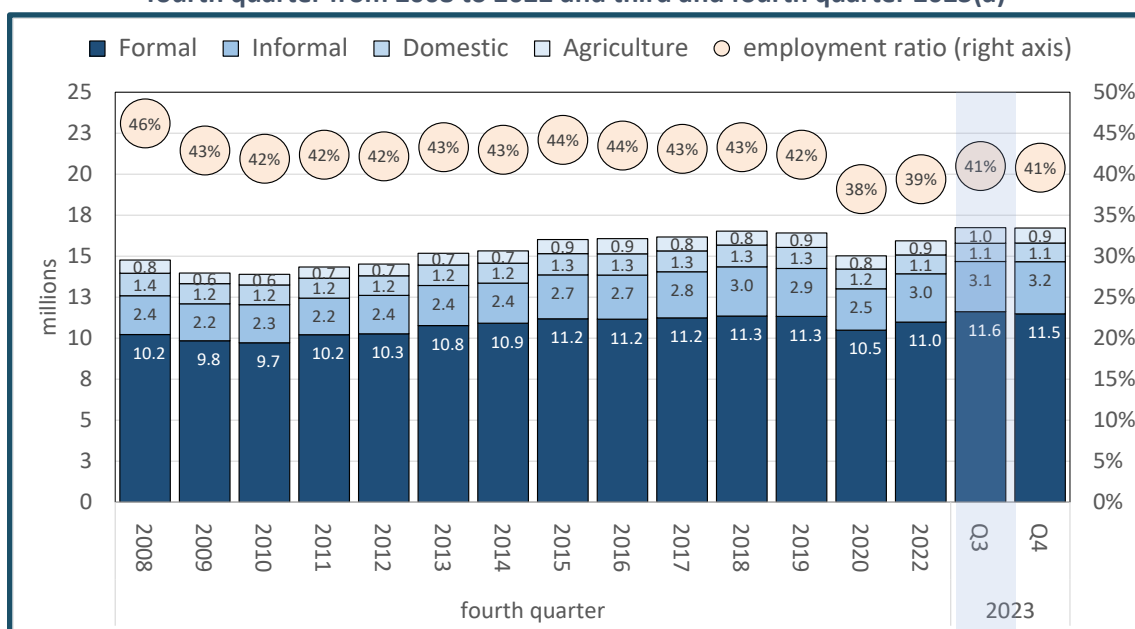


Employment

Employment grew by 800 000 or almost 5% in 2023, far more rapidly than the GDP or the working-aged population. The informal sector expanded particularly rapidly, but formal employment also climbed. In contrast, domestic work continued to stagnate. Construction employment reportedly grew particularly rapidly, apparently mostly due to investment in housing rather than infrastructure.

The economy generated almost 800 000 new employment and self-employment opportunities in 2023 as a whole, for an increase of almost 5%. That marked the second year of strong growth since the pandemic brought over half a million layoffs. Total employment reached 16.5 million, slightly above pre-pandemic levels. The share of the working-aged population with employment rose from 39% in the fourth quarter of 2022 to 41% a year later. Despite the improvement, it remained below the 44% achieved in the mid-2010s. (Graph 8). In line with seasonal expectations, total employment remained flat in quarter-on-quarter terms.

Graph 8: Fourth quarter employment by type of work, and the employment ratio, fourth quarter from 2008 to 2022 and third and fourth quarter 2023(a)



Note: (a) The employment ratio equals employed as percentage of total working aged population. Figures for 2021 are not reliable due to a low response rate on the survey. Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q4. Excel spreadsheet.

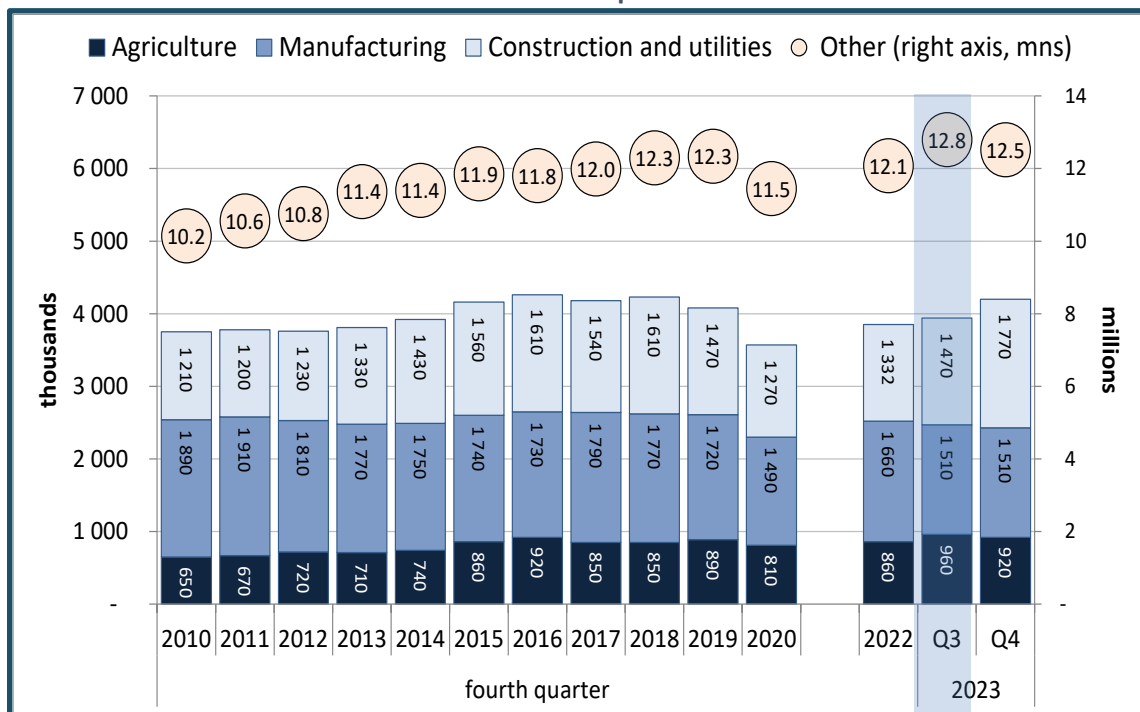
The informal sector grew particularly rapidly in 2023, climbing by 225 000 or 7.6%. It generated 156 000 more employment opportunities than in the fourth quarter of 2019, just before the pandemic. Informal employment climbed from 16% of total employment in the mid-2010s to 18% in 2019 and 19% in 2023.

Formal employment rose by 510 000 or 4.6% in 2023. In the fourth quarter of 2023 it generated 150 000 more positions than in the fourth quarter of 2019. Domestic work, however, continued to stagnate. At 1.1 million jobs, it remained 160 000 lower than before the pandemic. Agriculture grew by 60 000 or 7% from the end of 2022 to the end of 2023.

Construction and utilities saw unusually rapid growth in employment in 2023, rising by almost 440 000 positions or 20% from the end of 2022 to the end of 2023. (Graph 9) The growth in construction jobs accounted for half of the total expansion in employment in the past year, and two thirds of all net jobs growth since 2019. It was buoyed by a recovery in housing construction from the pandemic downturn in early 2020 through mid-2020, which has since reversed. Investment in non-residential buildings and public works has fallen almost continuously from 2016, and is now half as high as in the mid-2010s. As a result, residential construction equalled around 26% of investment in buildings and public works in the mid-2010s, but climbed to 37% in 2022 before falling back to 36% in 2023. (Graph 10)

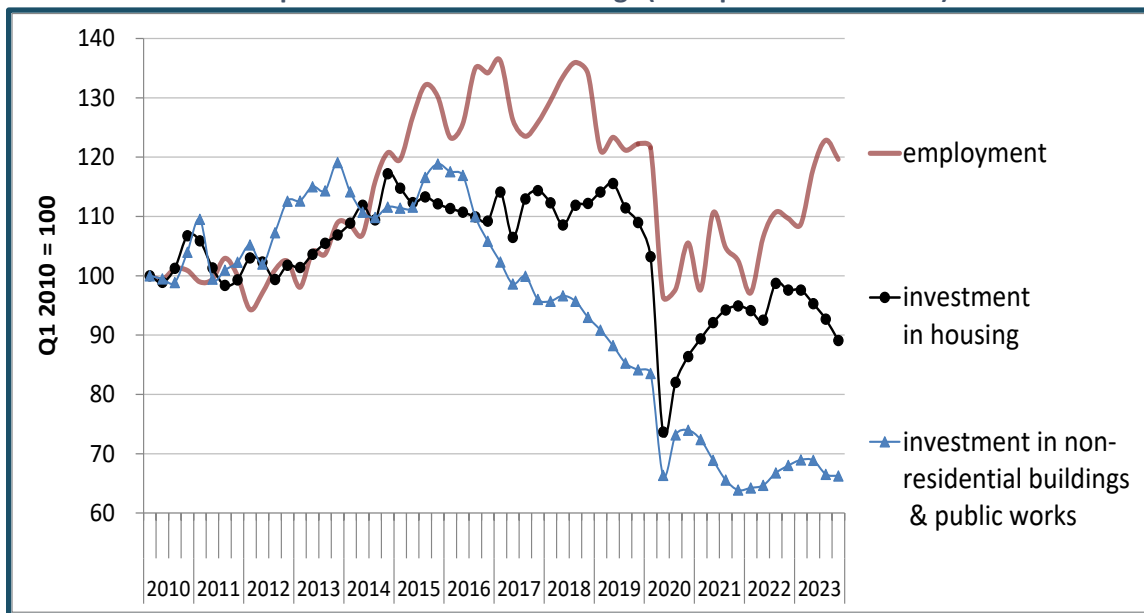
The picture for manufacturing was much less rosy. The sector lost 9% of its total employment, or 150 000 jobs, in the year to the last quarter of 2023. It remained 150 000 jobs short of its 2019 level, which was in turn far below the peaks set a decade earlier.

Graph 9: Employment in agriculture, manufacturing, utilities and construction compared to the rest of the economy, fourth quarter from 2008 to 2022 (a) and third and fourth quarter of 2023



Note: (a) Fourth quarter of 2021 is excluded due to a very poor response rate to the quarterly survey. Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q4. Excel spreadsheet.

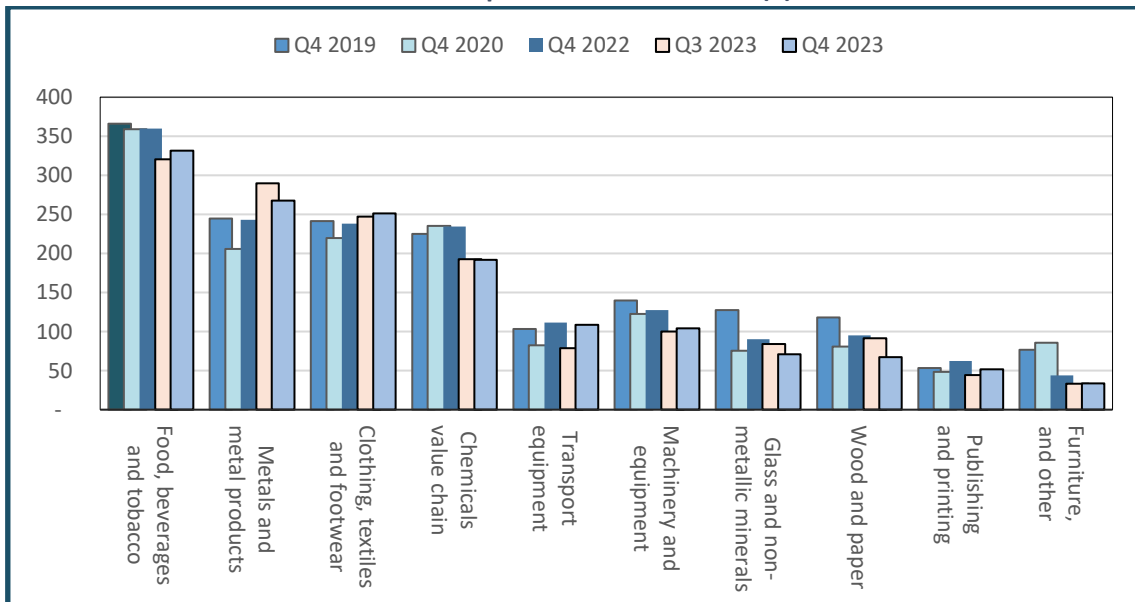
Gra[h 10: Indices of employment in construction and investment in housing and in public works plus non-residential buildings (first quarter 2010 = 100)



Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q4. Excel spreadsheet; and GDP.

The year-on-year fall in manufacturing employment was driven primarily by chemicals and plastics, which shed over 40 000 jobs in 2023. Food processing and the wood/paper value chain each lost over 25 000. In contrast, metals production gained 25 000 jobs and the clothing and footwear value chain, 13 000. All of the other manufacturing industries lost jobs in year-on-year terms. (Graph 11)

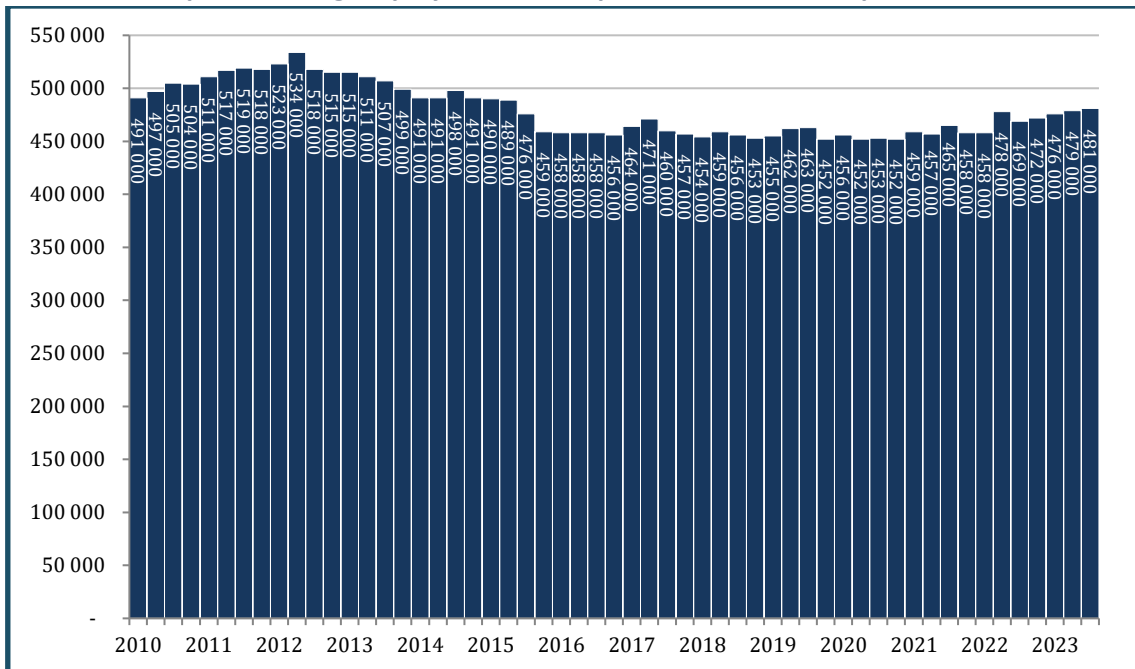
Graph 11: Employment in manufacturing industries, fourth quarter 2019 to 2022 and third quarter 2023 and 2024 (a)



Note: (a) Fourth quarter of 2021 is excluded due to a very poor response rate to the quarterly survey. Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey for relevant quarters. Electronic databases.

For data on mining employment, Statistics South Africa recommends use of the survey of formal businesses, the Quarterly Employment Survey, rather than the Quarterly Labour Force Survey, which samples households. The Quarterly Employment Survey is published a quarter behind the Quarterly Labour Force Survey, however. In the third quarter of 2023, it found that the industry had added 12 000 jobs compared to the third quarter of 2022. (Graph 12)

Graph 12 Mining employment, third quarter 2010 to third quarter 2023



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