

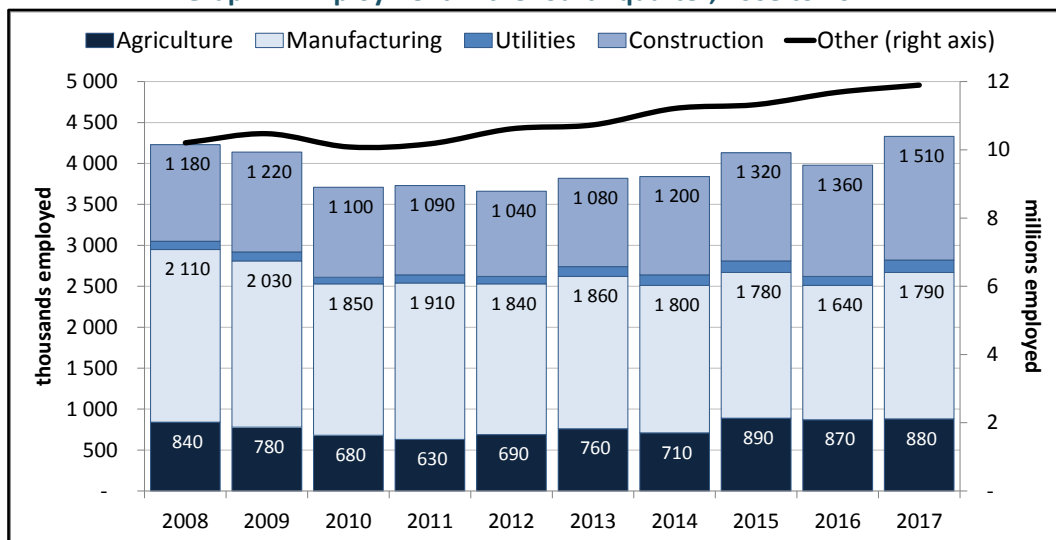
## Employment

Employment reportedly climbed 500 000 in the year to the first quarter of 2017, reaching 16.2 million. Business services, manufacturing (primarily wood and paper, and food and beverages) and construction drove the growth on a year-on-year basis. Mining employment stagnated while the metals industry returned to growth.

Total employment reportedly progressed for the third quarter in a row to 16.2 million, pushing the labour absorption rate (i.e. the percentage of the working-age population employed) to 43.7%. At the same time, the unemployment rate increased to 27.7%, the highest level in the past 14 years.

As illustrated in Graph 7, on a year-on-year basis, employment grew by more than 500 000 jobs (or 3%), carried by good performance in business services (more than 150 000 jobs). Manufacturing and construction reported a similar increase in employment (about 150 000 each), while agriculture remained stagnant. The food and beverage sector led the growth in the manufacturing sector. As discussed in the [Briefing Note on the employment data](#), however, there is a disjuncture between the employment data and the decline in the GDP, which may indicate problems with the data.

**Graph 7. Employment in the fourth quarter, 2008 to 2017**

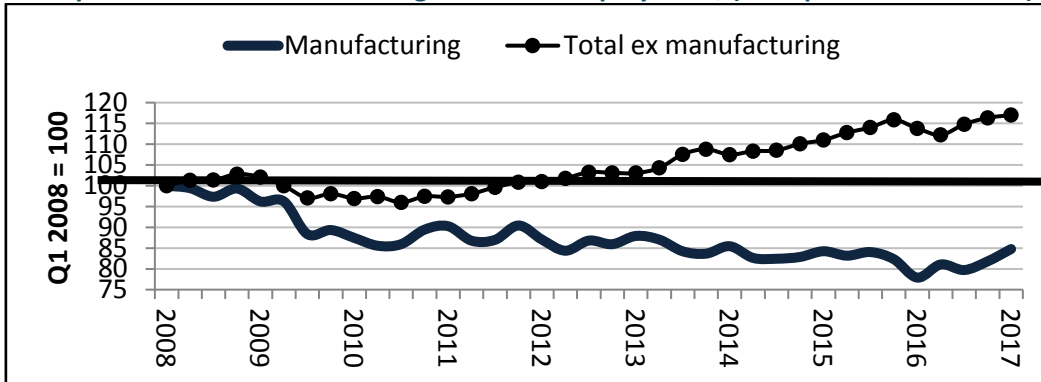


Source: Statistics South Africa. Quarterly Labour Force Survey. Trends from 2008. Excel spreadsheet. Downloaded in June 2017.

After a long period of decoupling, in which manufacturing shed jobs while employment in the country grew, manufacturing employment appeared back in line with the rest of the economy (Graph 8).

Manufacturing employment confirmed the uptake started in the second half of last year, increasing by 60 000 jobs in the first quarter of 2017. Manufacturing employment remains nonetheless far below levels reached in 2008, with 1.65 million jobs compared to 1.93 million a decade ago.

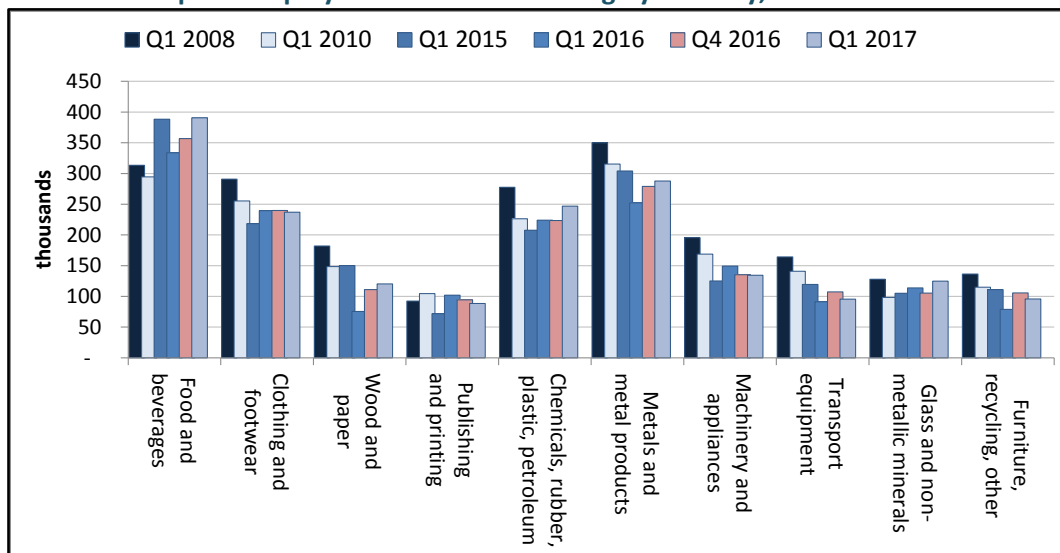
**Graph 8. Index of manufacturing and other employment<sub>7</sub> (first quarter 2008 = 100)**



Source: Statistics South Africa. Quarterly Labour Force Survey. Trends from 2008. Excel spreadsheet. Downloaded in June 2017.

Within manufacturing, although employment grew by 4% in the last quarter, industries faced diverse fortunes (Graph 9). The food and beverage industry maintained its continual growth trend in the first quarter of 2017, accounting more than half of manufacturing employment gains. In part, these gains reflect a recovery from slow growth in 2015/2016 due to the drought. Agro-processing is the only industry that now employs more workers than in 2008. Some other industries also returned to employment growth in the last quarter, primarily glass and non-metallic minerals (+19%) and chemicals and petroleum (+11%). On a year-on-year basis, manufacturing employment increased by 10%, driven by the wood and paper industry which registered the fastest employment growth (+60%), although off a fairly small base. The food and beverage sector and the metals industry also grew at a steady pace (17% and 14% respectively).

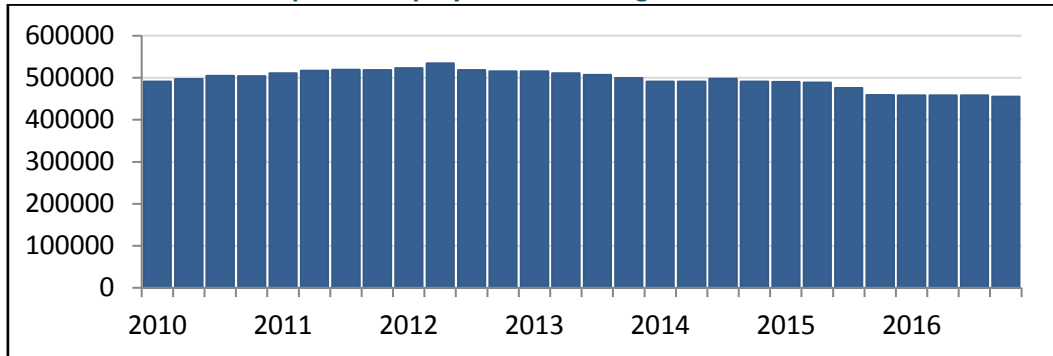
**Graph 9. Employment in manufacturing by industry, 2008 to 2017**



Note: Includes all reported employees, not just those aged 15 to 64. Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey for relevant quarter. Electronic database. Series on industry.

Employment in mining, as reported by the Chamber of Mines, has remained virtually constant since the fourth quarter of 2015. A slight decline of 3 000 jobs was experienced in the last quarter of 2016, bringing mining employment to 455 000 jobs and the fall from the 2012 peak to almost 80 000 jobs (Graph 10).

**Graph 10. Employment in mining, 2010 to 2017**



Source: Statistics South Africa. Quarterly Employment Survey. May 2017