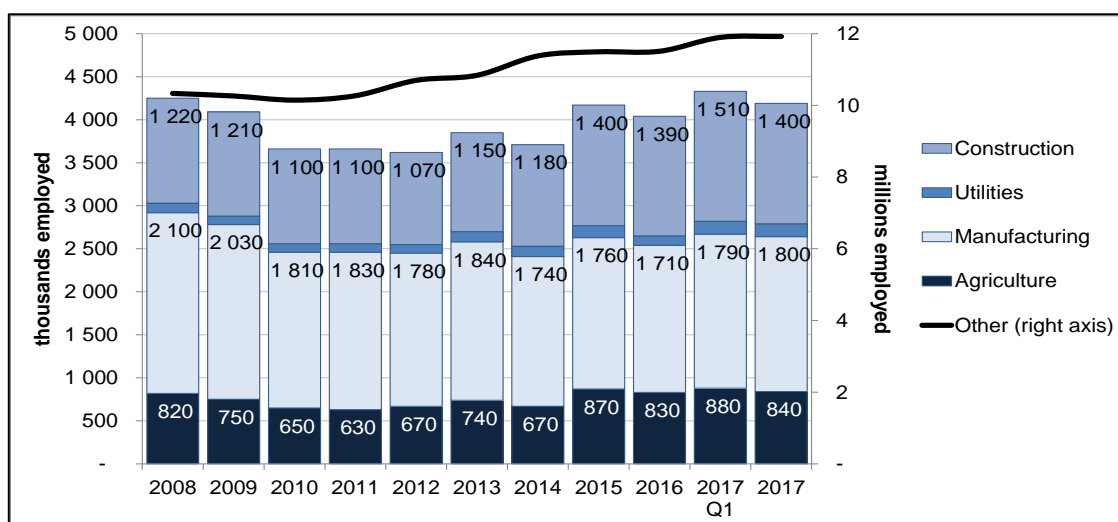


Employment

As a contrast to growth in GDP, according to the official data, employment in the economy as a whole declined by 113 000 or around -0.7% in the second quarter of 2017 compared to the first quarter. Jobs grew around 4%, however, when compared to the same quarter of the previous year. The data show slight gains in manufacturing. Agriculture created jobs in line with the rebound in the sector. In mining, using the employer survey (which is considered more reliable for this sector), employment increased by 8 000 in the first quarter of 2017, or about 2%. This signals some stabilisation as the industry adapts to the new realities of lower metals prices.

Graph 9 shows the change in employment by sector from the second quarter of 2008 to the second quarter of 2017. At 4,2 million, employment in the real economy was still marginally lower than it was before the 2008/9 crisis, most because of persistent job losses in manufacturing. In contrast, employment overall recovered from the 2008/9 downturn in 2013. Moreover, since 2015 there has been virtually no growth in employment in the real economy, while the rest of the economy has gained around 400 000 jobs.

Graph 9: Employment by sector in the second quarter, 2008 to 2017

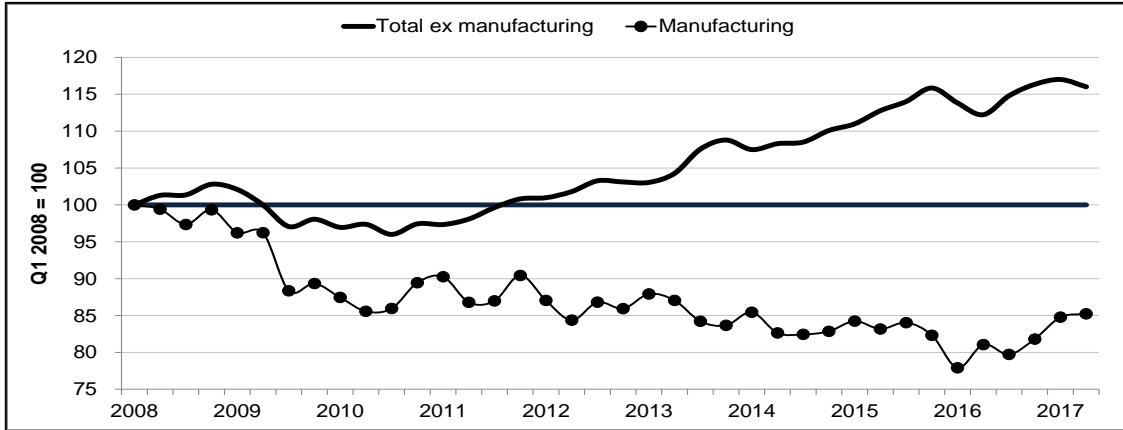


Source: Statistics South Africa. Quarterly Labour Force Survey. Trends from 2008. Excel spreadsheet. Downloaded in July 2017.

Agricultural employment reportedly increased by 10 000, or 1%, in the second quarter of 2017. The figures are not seasonally adjusted, but the second quarter typically shows a seasonal fall in farm employment. The increase in 2017 thus points to recovery from the drought.

Manufacturing employment in the second quarter of 2017 grew some 90 000 above the second quarter of 2016 (or a 5% increase). However, manufacturing employment is still 300 000 below the second quarter of 2008, before the crisis hit (Graph 10).

Graph 10: Index of manufacturing and other employment, first quarter 2008 = 100

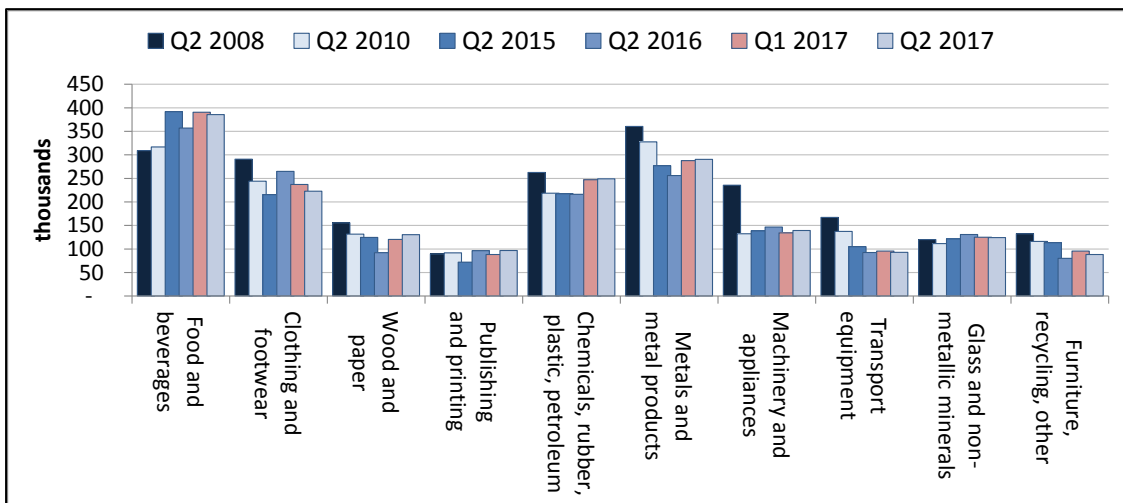


Source: Statistics South Africa. Quarterly Labour Force Survey. Trends from 2008. Excel spreadsheet. Downloaded in August 2017.

The available data suggest that while the bulk of jobs lost in 2008/9 in manufacturing were in heavy industry, especially metals production, employment creation since then has emerged principally in consumer goods, although both metals and chemicals saw renewed growth over the past year. That said, the figures on the change in employment by industry within manufacturing only indicate long-term trends. Because the samples at this level are small and not seasonally adjusted, the quarterly changes are typically not reliable.

Graph 11 indicates that the three fastest growing manufacturing subsectors for job creation in the past quarter alone were wood and paper, printing and publishing, and machinery and appliances. Wood and paper expanded employment by 40% on a year-on-year basis, although it represents only 7% of manufacturing employment and is recovering from a low employment base in 2016. Food and beverages saw a decline in employment over the quarter but has grown 8% on a year-on-year basis. Similarly, metal products and chemicals saw modest growth rates in jobs over the past quarter but grew 13% and 15%, respectively over the year. Clothing and footwear and furniture reportedly experienced the most significant job losses during this quarter as well as over the year.

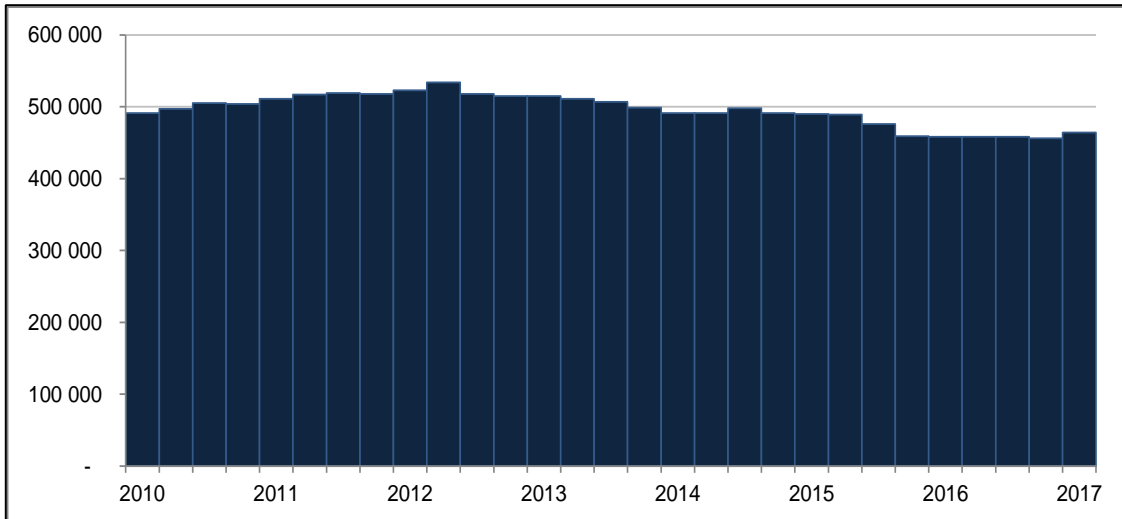
Graph 11: Employment in manufacturing by industry, 2008 to 2017



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. August 2017.

Employment in mining, as reported by the Chamber of Mines, experienced its first increase in jobs since 2014 in the first quarter of 2017, the latest data available (Graph 12). The sector saw growth of 8 000 jobs during the last quarter, equivalent to 2% growth. This is a recovery from the job losses in 2016 but is still some distance from the 70 000 jobs cumulatively lost since 2012.

Graph 12: Employment in mining, 2010 to 2017



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