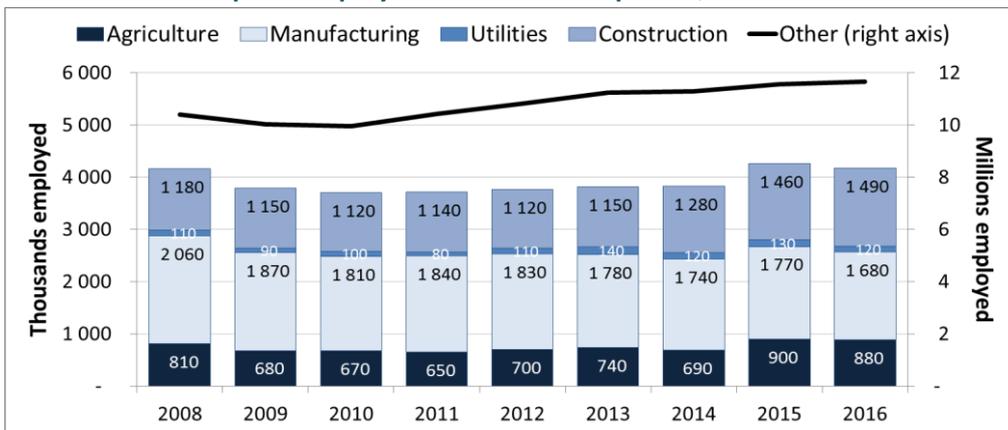


Employment

Total employment remained virtually unchanged from the third quarter of 2015 to the third quarter of 2016. But the composition of employment changed. Manufacturing and community services lost around 85 000 jobs each. Business services created around the same number, almost entirely in security and cleaning. CCMA data point to significant retrenchments in the mining value chain over the past year.

As Graph 6 shows, employment in agriculture remained virtually unchanged over the previous year, while construction continued to create new jobs. Since 2008, construction employment has risen by more than 25%. In contrast, manufacturing returned to job losses in the year to September 2016. Employment figures are not seasonally adjusted, so the quarterly data need to be treated with care.

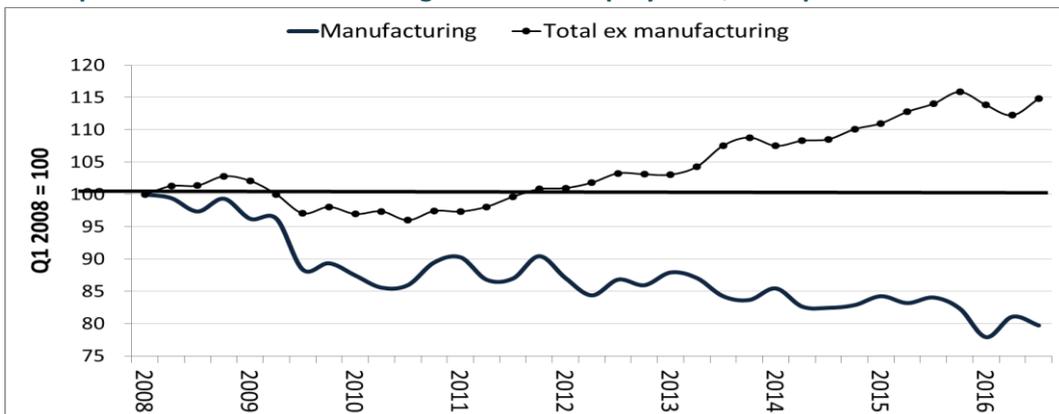
Graph 6: Employment in the third quarter, 2008 to 2016



Source: Statistics South Africa. Quarterly Labour Force Survey. Trends from 2008. Excel spreadsheet. Downloaded in November 2016.

Over the long term, manufacturing continued to shed jobs even as the economy as a whole generated new employment. Since 2008, manufacturing has lost 370 000 jobs, or around 18% of its total. The rest of the economy as a whole saw growth of around 15% in employment over the same period (see Graph 7).

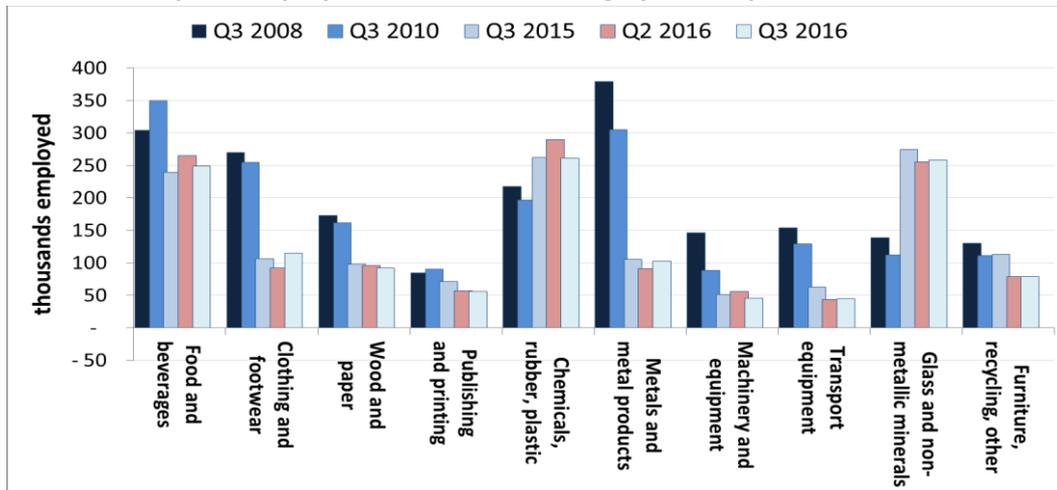
Graph 7: Index of manufacturing and other employment, first quarter 2008 = 100



Source: Statistics South Africa. Quarterly Labour Force Survey. Trends from 2008. Excel spreadsheet. Downloaded in November 2016.

Within manufacturing, employment trends varied significantly in the past year. Job losses from the third quarter of 2015 (the quarter-on-quarter figures are not very meaningful) were largest in food and metals production. In contrast, after years of decline and a shift to new forms of government support, clothing and footwear reported an increase in employment. The figures are small, however, so it is early to see if the uptick is significant. Most other sectors showed virtually no change (see Graph 8).

Graph 8: Employment in manufacturing by industry, 2008 to 2016

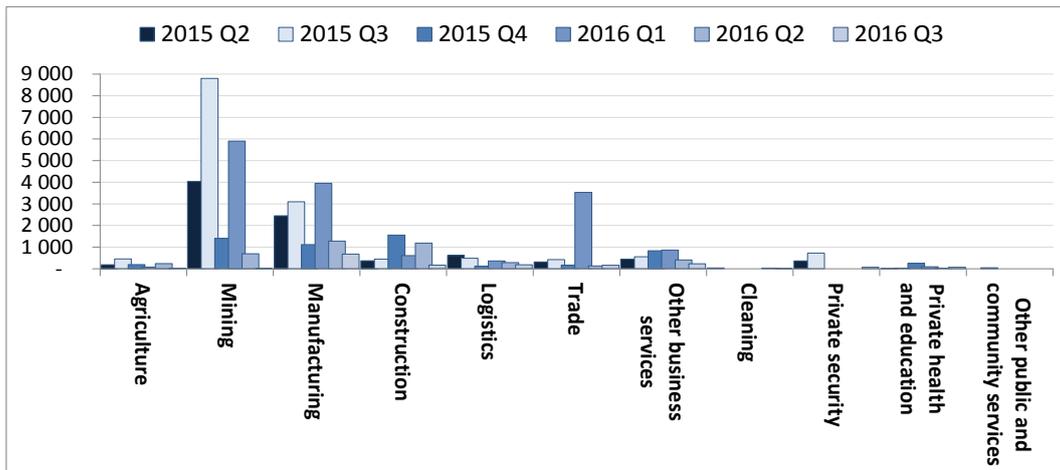


Note: Includes all reported employees, not just those aged 15 to 64. Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey for relevant quarter. Electronic database. Series on industry.

Retrenchment data from the CCMA (Commission for Conciliation, Mediation and Arbitration) underscore the impact of the slowdown in the metals industry on employment. In the period from March 2015 to October 2016, retrenchment cases at the CCMA saw just over 50 000 jobs losses. Metals employers accounted for over half of all the retrenchments in manufacturing.

The CCMA data only cover formal retrenchment procedures under section 189 of the Labour Relations Act. They exclude retrenchment processes handled through private mediation or arbitration, or where workers accepted job losses without going through a legal procedure. As Graph 9 shows, mining had the largest retrenchments in the past 18 months, with 21 000 reported job losses. Manufacturing came in second, with 12 500.

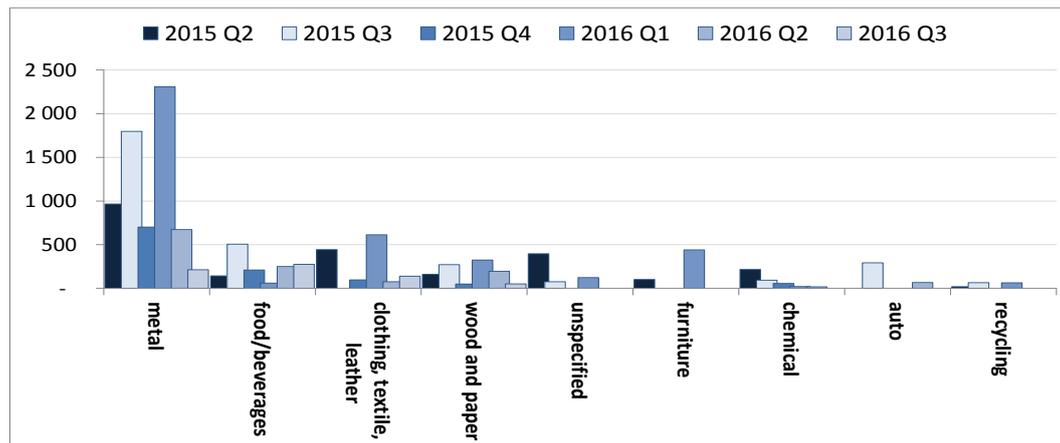
Graph 9: Retrenchments through the CCMA by sector, March 2015 to October 2016



Source: CCMA communication, December 2016

Within manufacturing, metals accounted for over 6 500 retrenchments in the past 18 months (see Graph 10).

Graph 10: Retrenchments through the CCMA by manufacturing industry, March 2015 to October 2016



Source: CCMA communication, December 2016

The CCMA registered a total of 626 cases from March 2015 to October 2016. Of these, more than 90% ultimately led to some job losses, with an average of just under 90 job losses each. Companies initially sought to retrench almost 90 000 workers, but ultimately they agreed to reduce forced retrenchments to 30 000, with 21 000 voluntary retrenchments.