



Quarterly Labour Force Survey Q2:2017

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South African Labour Market: Current state vs NDP target

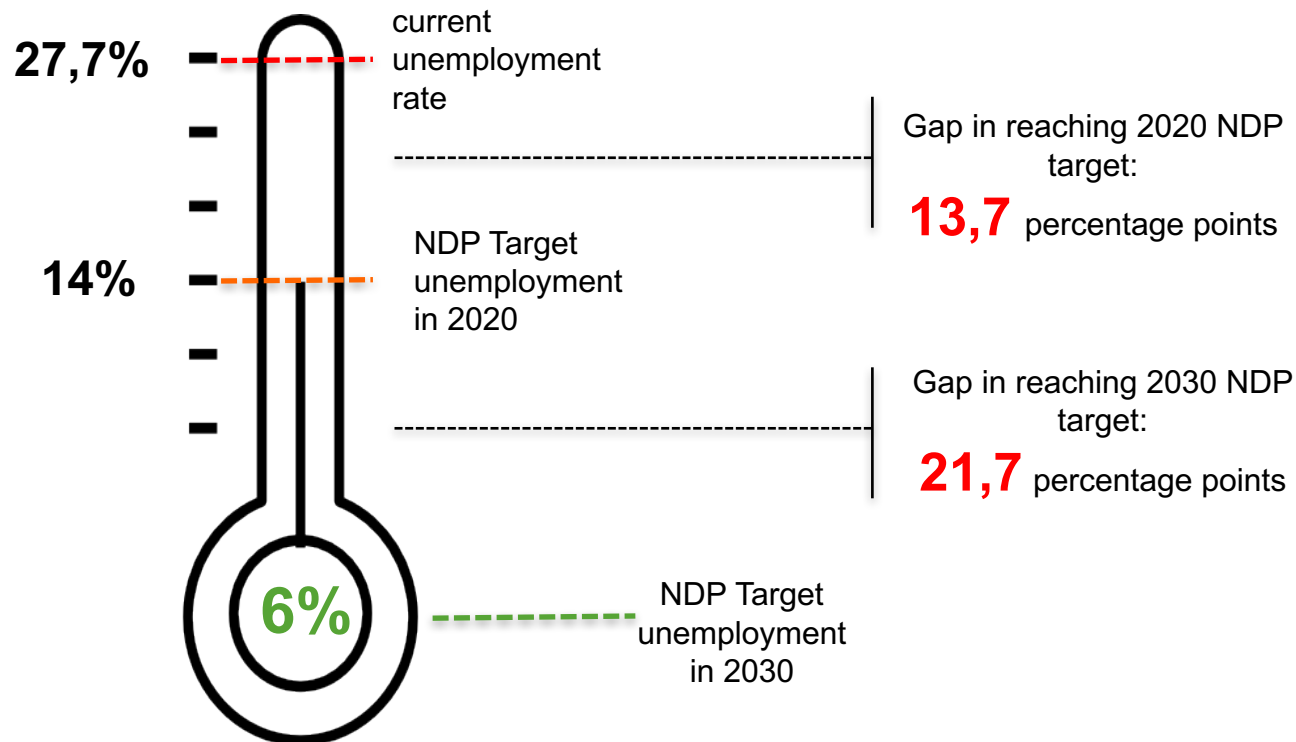
Source: QLFS, Q2:2017

South African Labour Market:

Current state vs NDP target

Unemployment

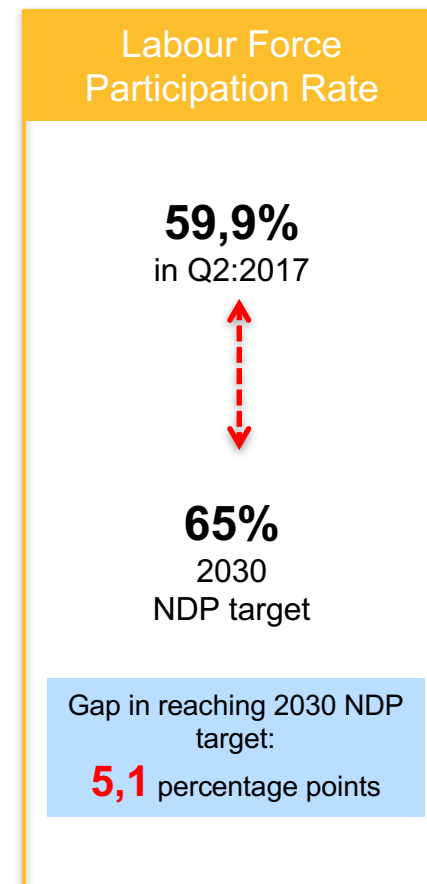
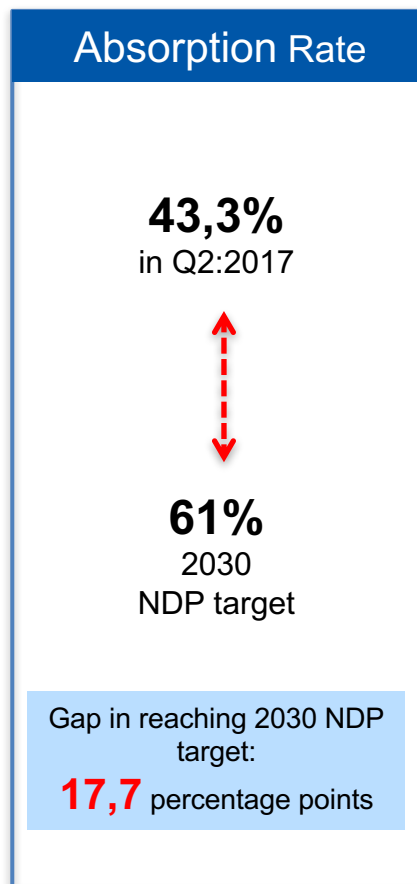
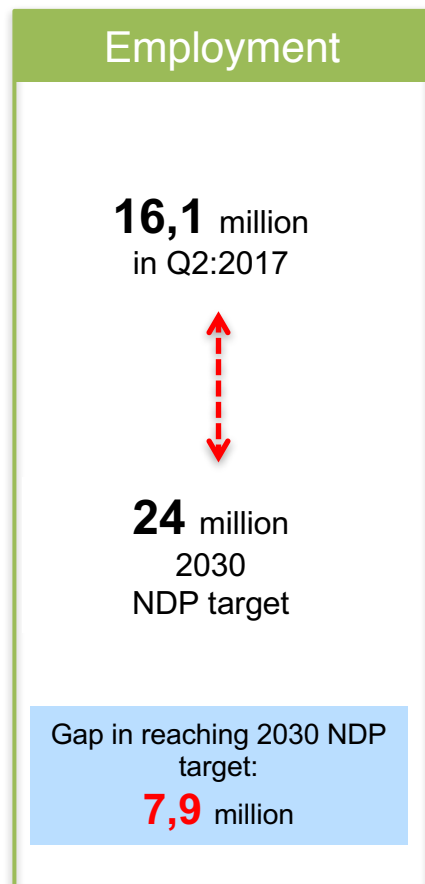
The unemployment rate has been around the **25%** level since **2010**



Source: QLFS, Q2:2017

South African Labour Market:

Current state vs NDP target

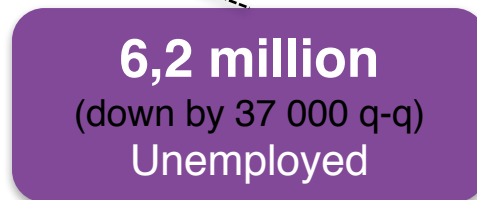
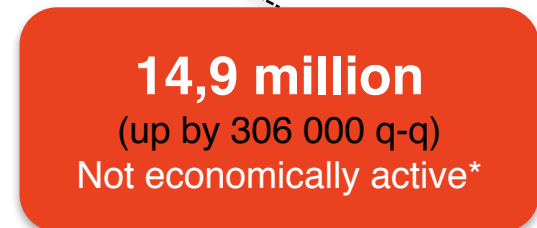
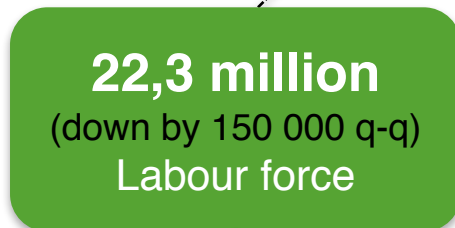
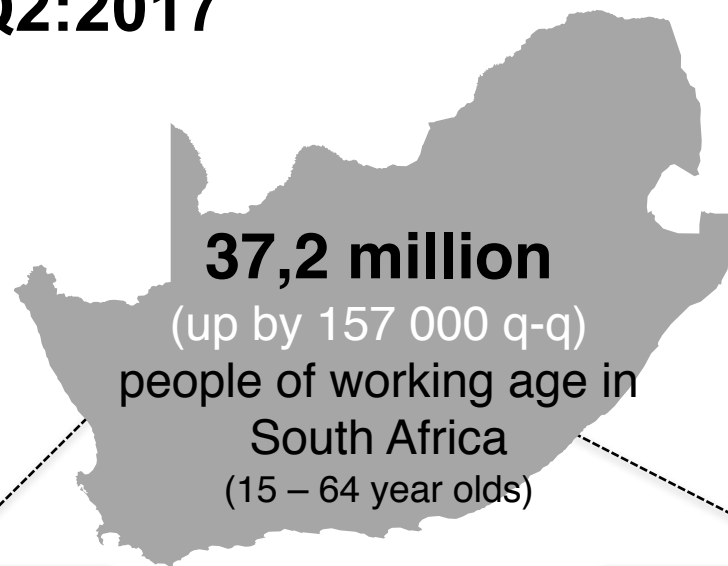


Source: QLFS, Q2:2017

Labour market Q2:2017

Source: QLFS, Q2:2017

The labour market Q2:2017



NDP target 2030
Employment:
24 million

*Of which 2,4 million
were discouraged work
seekers
(up by 83 000 q-q)

ILO hierarchy – Employed first then
unemployed and the remainder is NEA
(including discouraged job-seekers).
3 mutually exclusive groups. Cannot be in two
groups at the same time

Source: QLFS, Q2:2017

Employment & Labour market rates

Source: QLFS, Q2:2017

Absorption rate and LFPR explained

Absorption rate

- Indicates the proportion of the **working-age population (15-64 years)** which is currently **employed**

It is calculated by dividing the **number of people employed** by the **total number of people of working age (15-64 years)**.

Example:

- For example, of the 37,2 million people of **working age**,
- 16,1 million were employed in SA, then **employment-to-population** ratio is 43,3%

Labour force participation rate

- Represents the share of **working-age population** that is **actively engaged in the labour market** by either being **employed or available to work**, i.e. labour supply

- It is calculated by dividing the number of people in the **labour force** (employed +unemployed) by the **total number of people of working age (15-64 years)**.

Example

- Of the 37,2 million people of **working age**,
- 22,3 million people were in the **labour force** in SA,
- The **labour force participation rate** is 59,9%

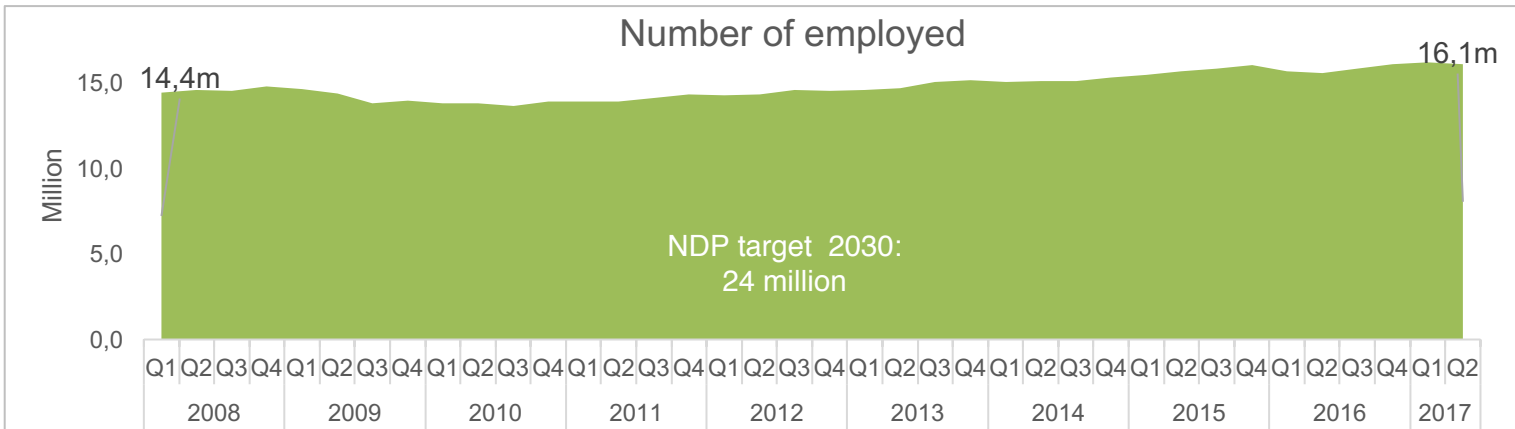
Source: QLFS, Q2:2017

Total employment changes vs GDP growth rates

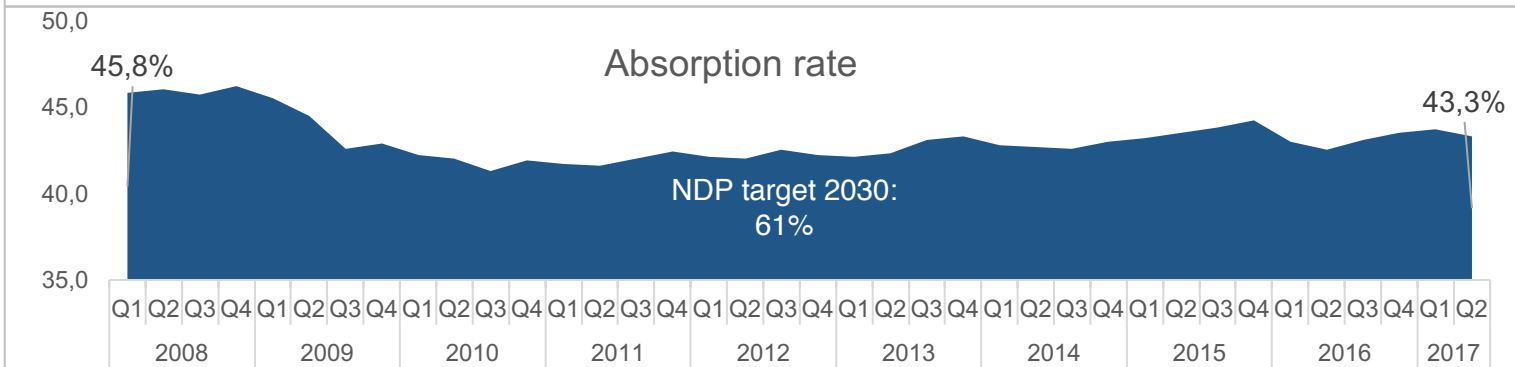


Source: QLFS, Q2:2017

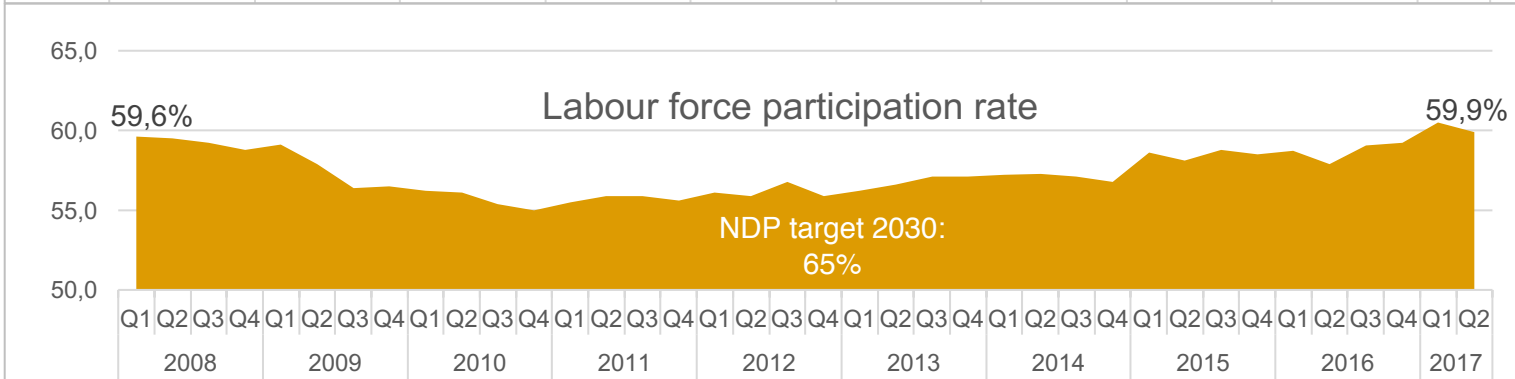
Labour market dashboard



Number of employed people decreased from 16,2 million in Q1:2017 to **16,1 million** in Q2:2017



Absorption rate was 43,3% in Q2:2017 and has not recovered to level of 45,8% in 2008

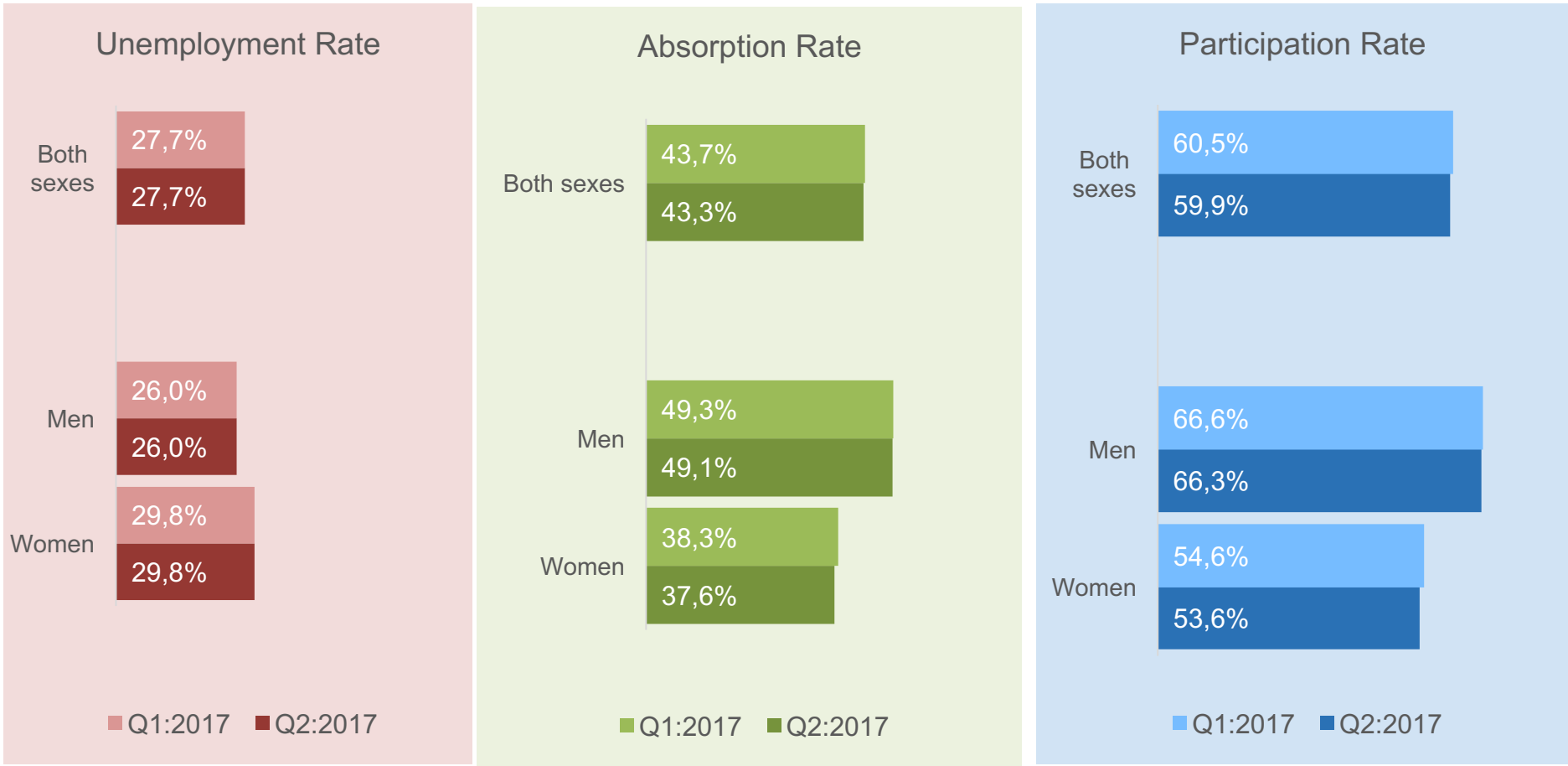


Labour force participation rate of 59,9% recorded in Q2:2017 after the highest LFPR of 60,5% in Q1:2017.

Source: QLFS, Q2:2017

Labour market rates by sex

There are large disparities in the labour market by sex – the unemployment rate for **women** is higher than that of males. **Women** are also less likely to participate in the labour market

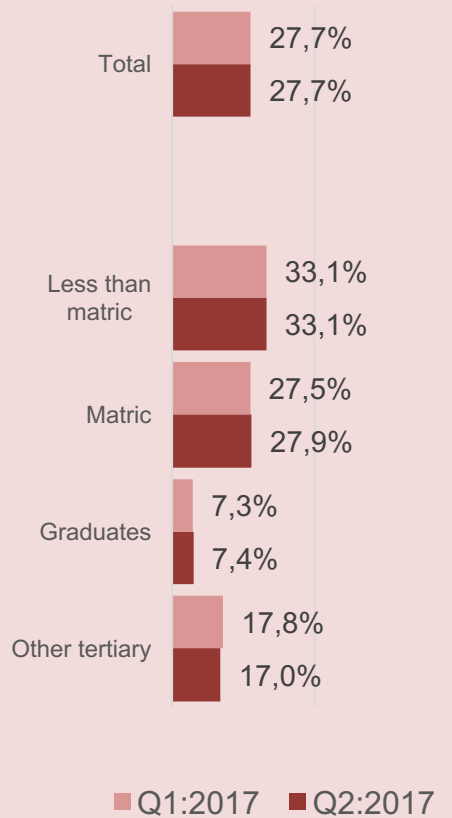


Source: QLFS, Q2:2017

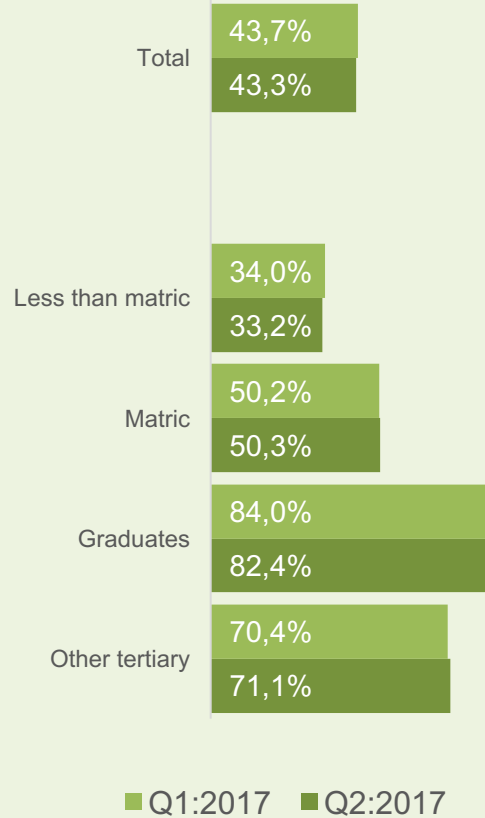
Labour market rates by education level

The less educated one is the more likely it is for one to be unemployed

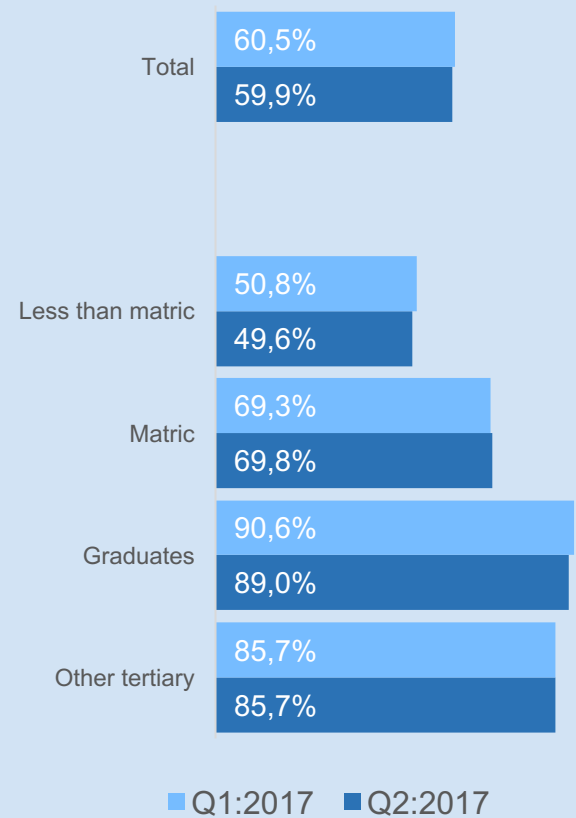
Unemployment Rate



Absorption Rate



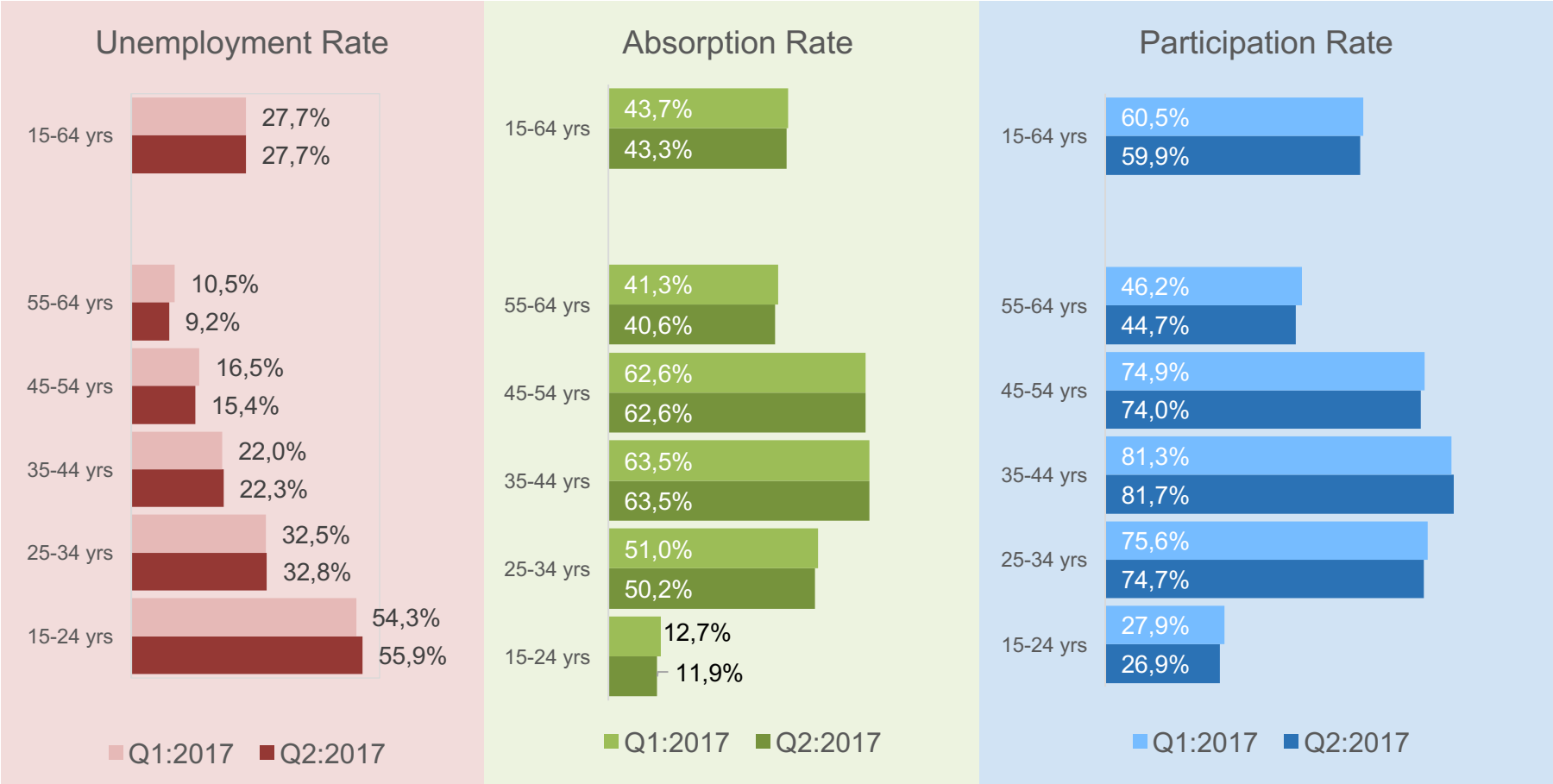
Participation Rate



Source: QLFS, Q2:2017

Labour market rates by age group

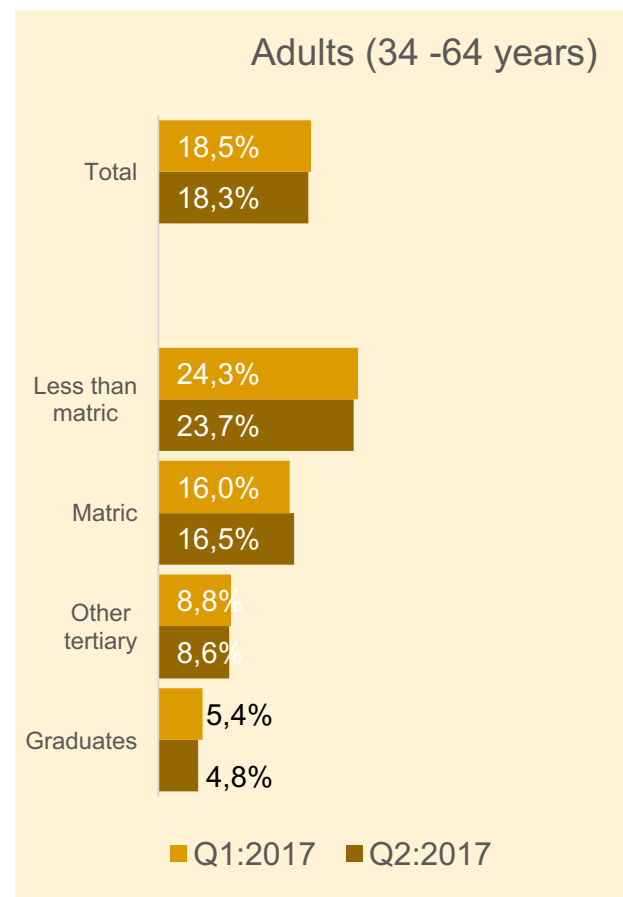
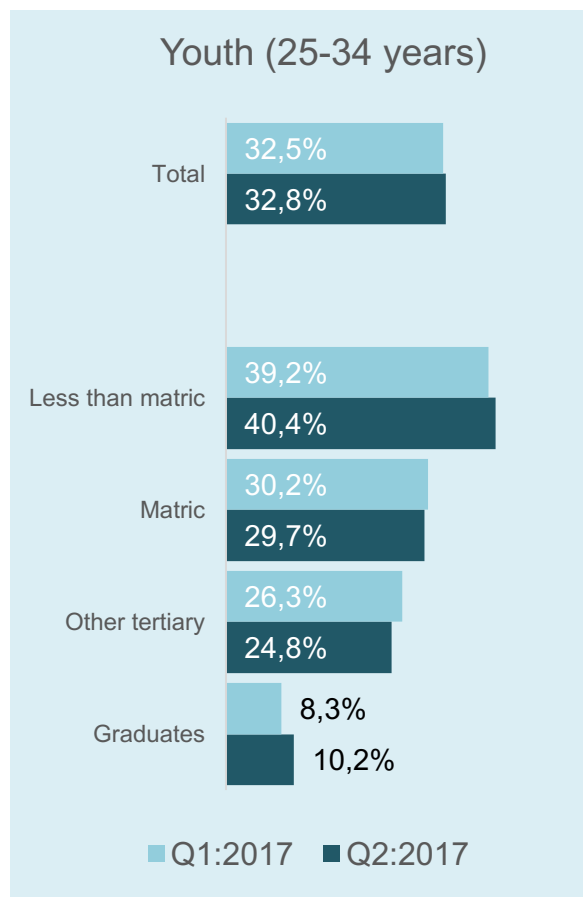
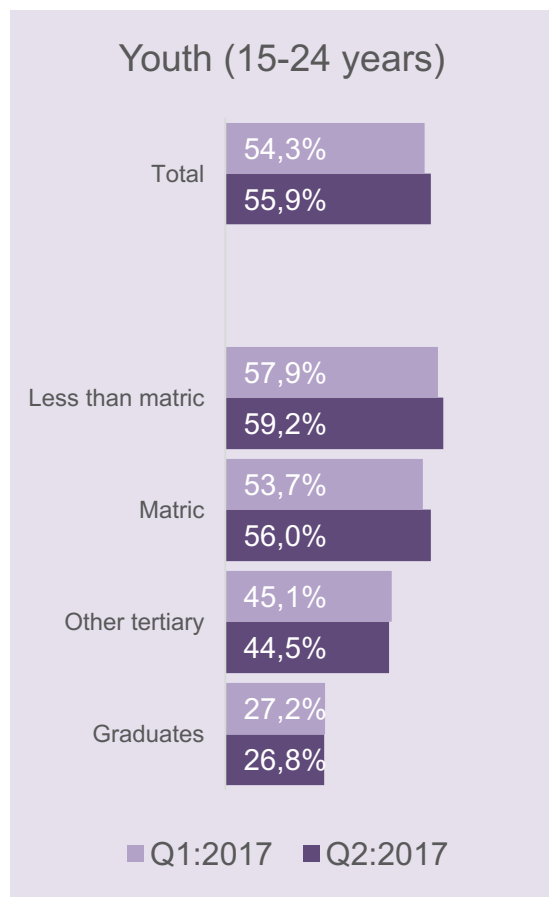
Young people aged 15-24 remain vulnerable in the labour market with unemployment rate of almost 56% and absorption rate of 12%



Source: QLFS, Q2:2017

Unemployment rate by education level and age group

The unemployment rate among the youth is higher in all educational levels compared to that of adults.

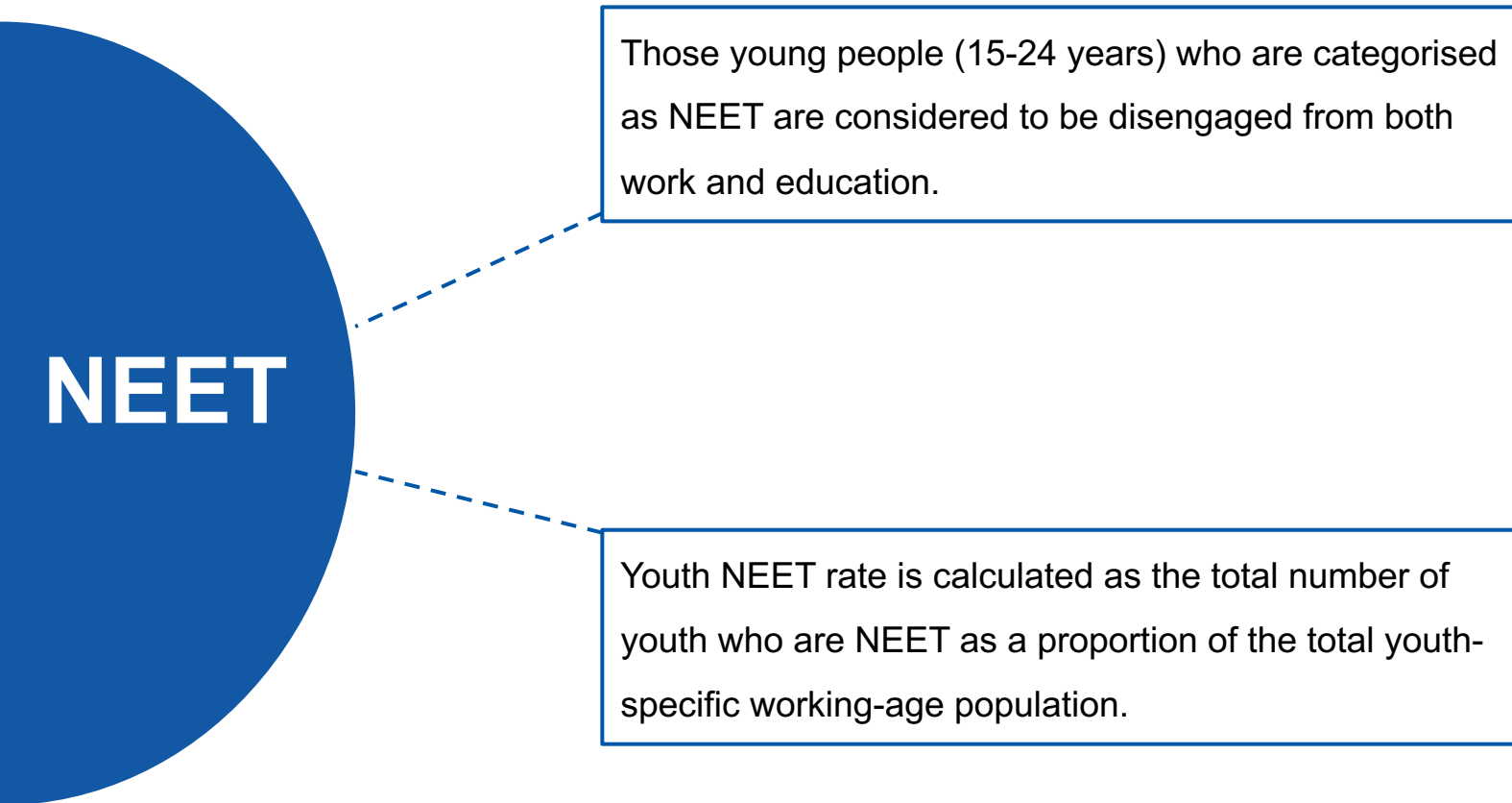


Source: QLFS, Q2:2017

Profile of those Not in Employment, Education and Training (NEET)

Source: QLFS, Q2:2017

Not in Employment, Education and Training



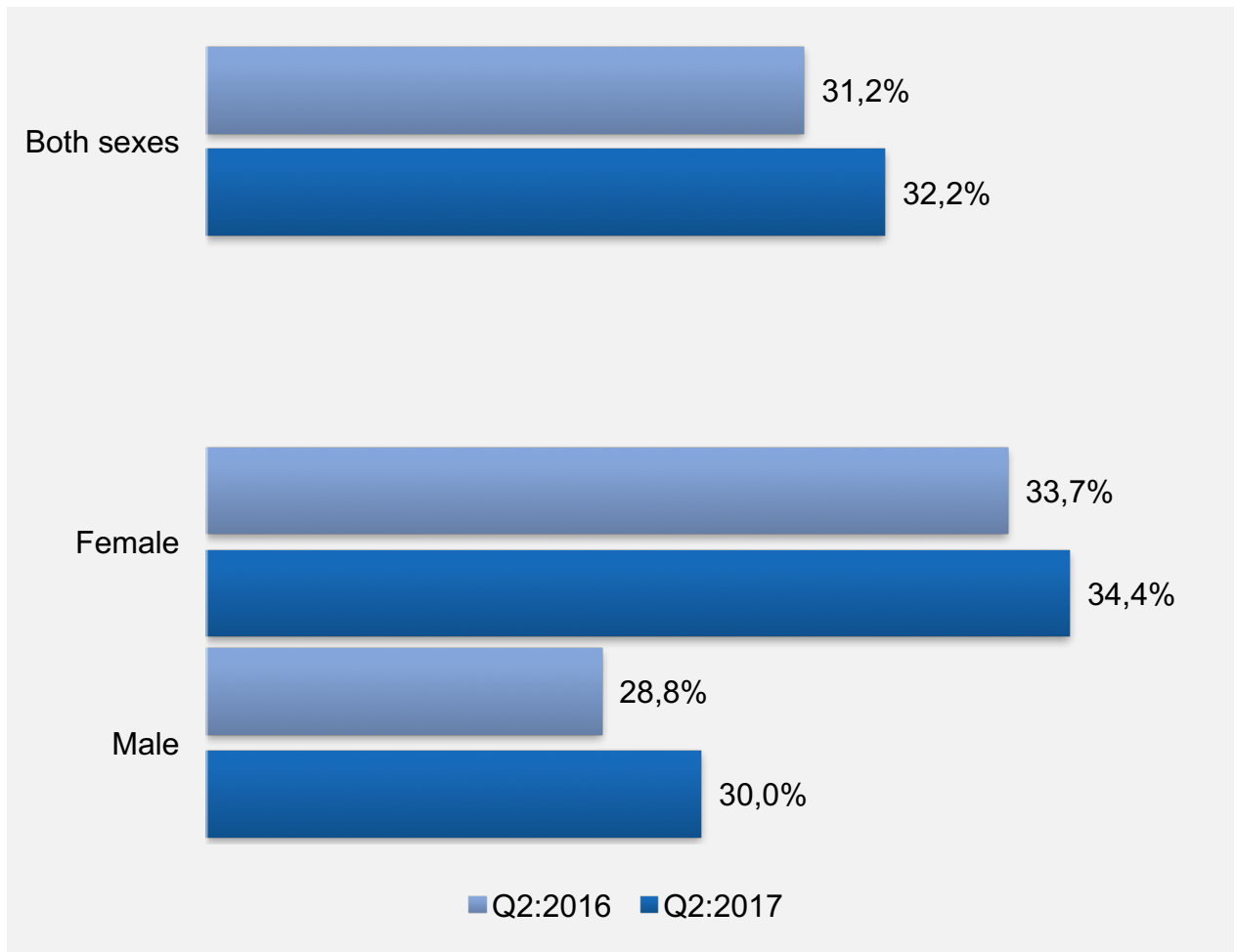
NEET

Those young people (15-24 years) who are categorised as NEET are considered to be disengaged from both work and education.

Youth NEET rate is calculated as the total number of youth who are NEET as a proportion of the total youth-specific working-age population.

Source: QLFS, Q2:2017

NEET (15-24 years) by sex



Of the 10,3 million young people aged 15-24, 3,3 million were NEET.

Q2:2017 NEET rate increased by 1,0 of a percentage point.

The NEET rate for females and males increased by 0,7 and 1,2 percentage points respectively.

Source: QLFS, Q2:2017

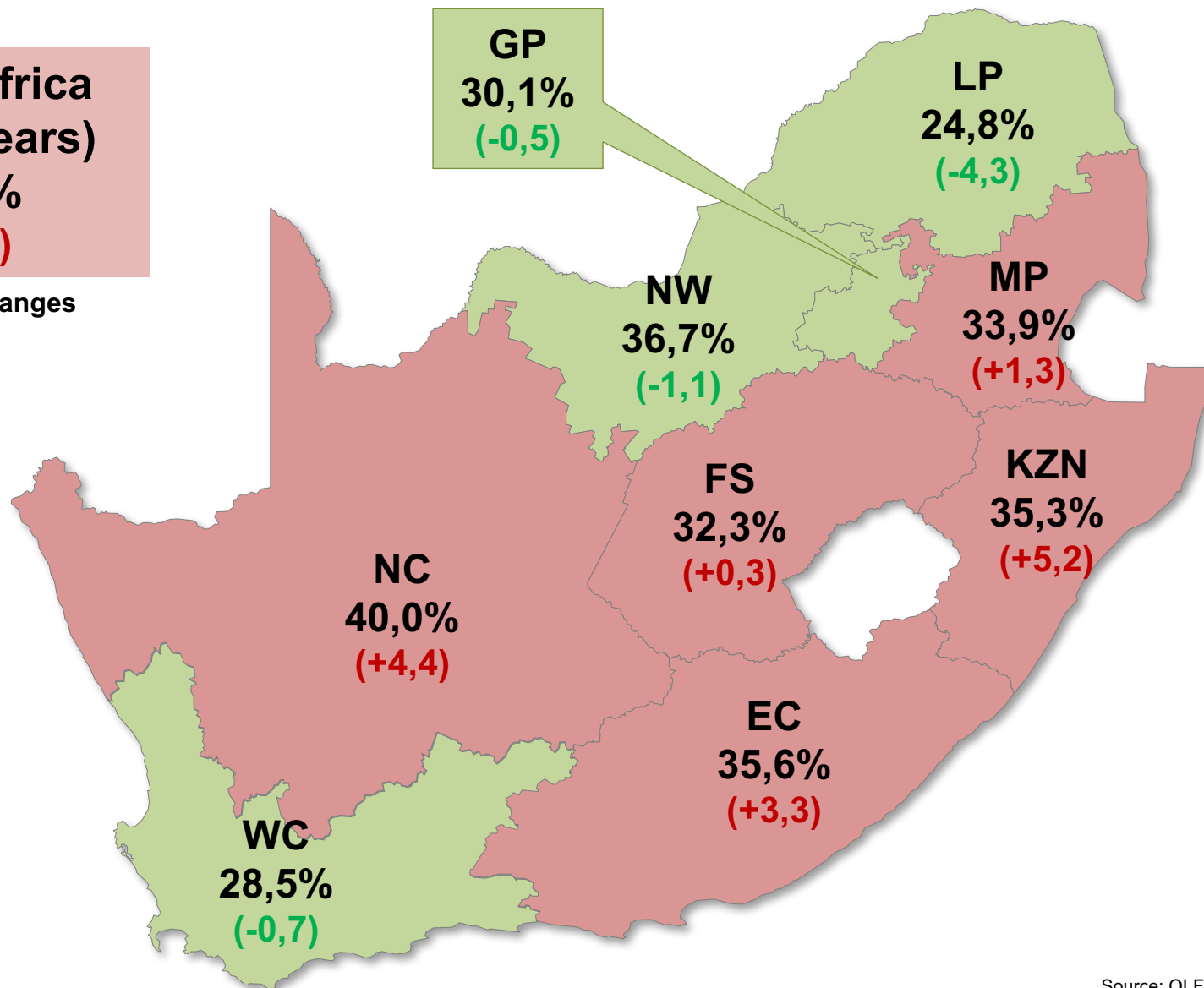
Provincial NEET rate

**South Africa
(15-24 years)**

32,2%

(+1,0)

Year-on-year changes



Source: QLFS, Q2:2017

Employment

Source: QLFS, Q2:2017

Employment Q2:2017

NDP target 2030
Employment 24 million

16,1m

People aged 15 – 64 years were
employed in Q2:2017

A net decrease of
113 000 q/q



Formal sector jobs
decreased by
144 000 q/q
to **11,2 million**



Jobs in the Agricultural
sector decreased by
40 000 q/q



Jobs in Private households
decreased by
8 000 q/q

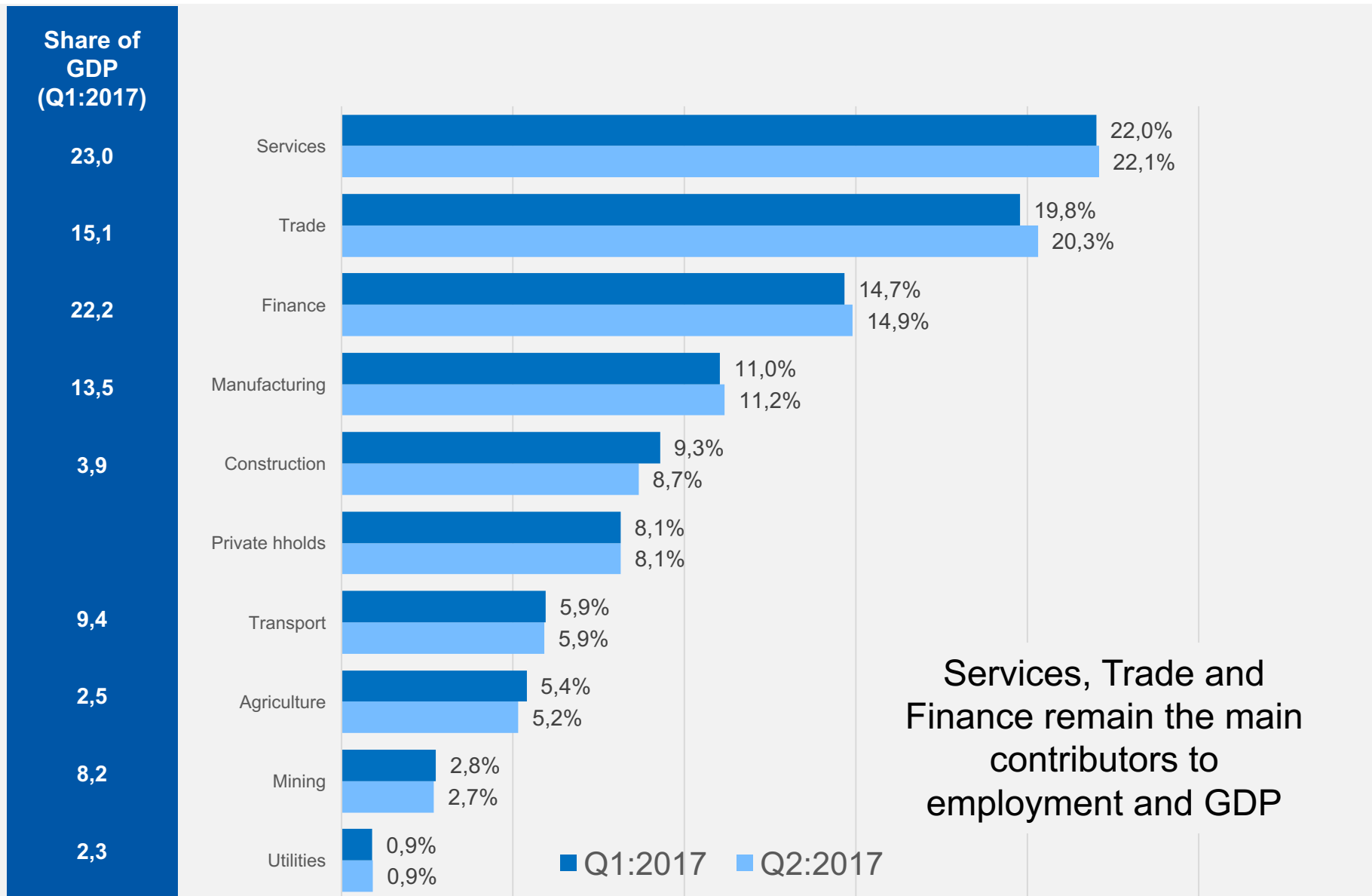


Informal sector jobs
increased by
80 000 q/q
to **2,8 million**



Source: QLFS, Q2:2017

Employment and GDP share per industry



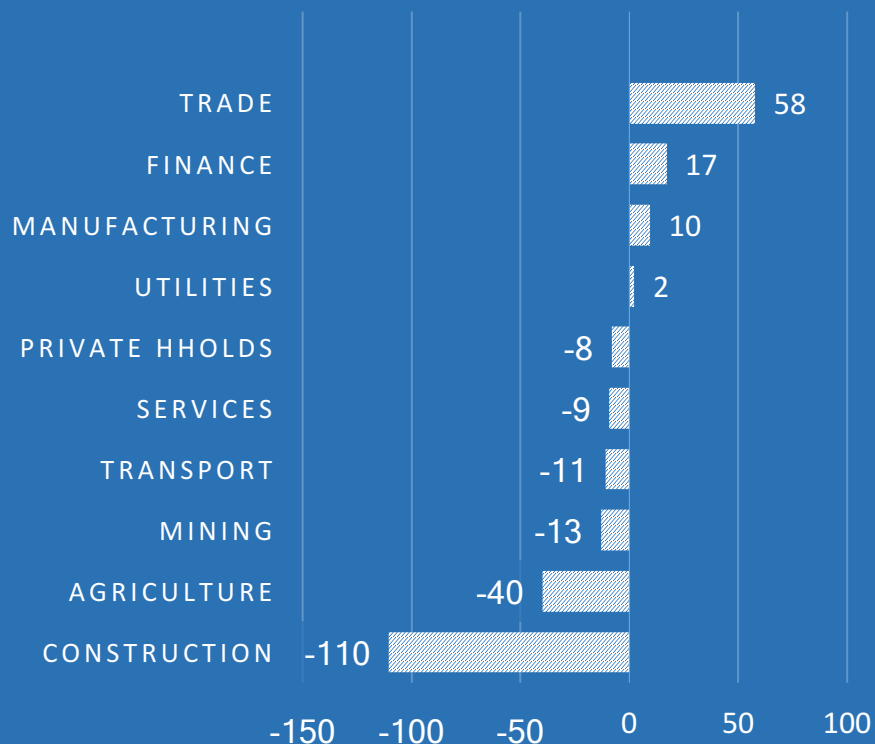
Employment – changes by industry

Largest employment losses were recorded in Construction and Agriculture quarter-to-quarter.

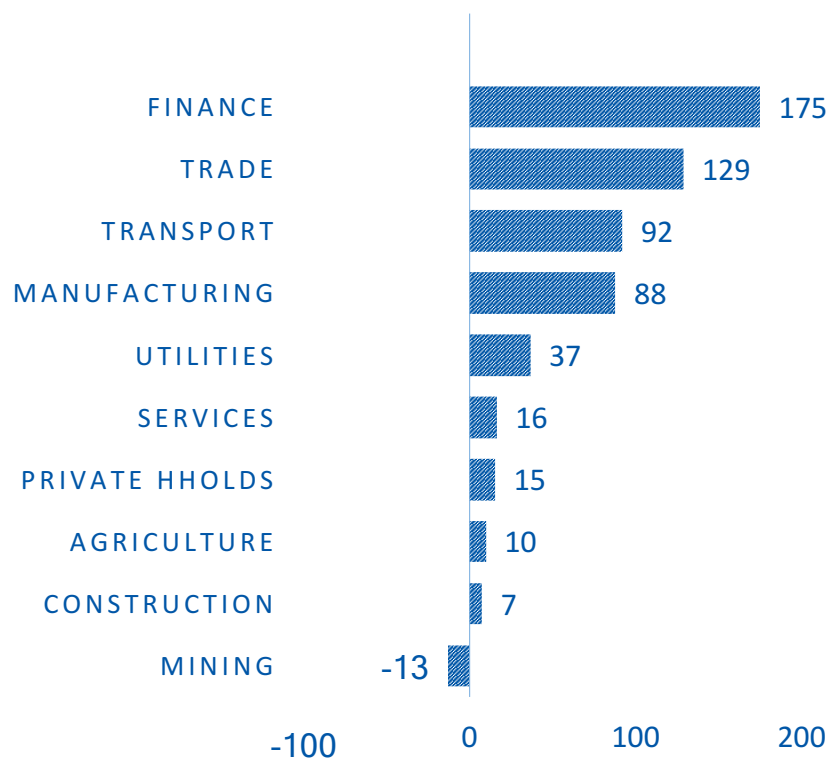
Largest employment gains were recorded in Finance and Trade year-on-year

Mining was the only industry which shed jobs both qtr-to-qtr and year-on-year.

QUARTER ON QUARTER CHANGE



YEAR ON YEAR CHANGE



Source: QLFS, Q2:2017

Breakdown of quarter-to-quarter employment changes for selected industries, Q2:2017- Losses

Construction (110 000)

Mainly driven by losses in: :

- Building of complete constructions or parts thereof; civil engineering
- Building completion

Agriculture (40 000)

Mainly driven by losses in:

- Growing of crops
- Forestry and related services

Mining (13 000)

Mainly driven by losses in:

- Mining of metal ores
- Other mining and quarrying

Transport (11 000)

Mainly driven by losses in:

Supporting and auxiliary transport activities;
activities of travel agencies
Postal and related courier activities

Source: QLFS, Q2:2017

Breakdown of year-on-year employment changes for selected industries, Q2:2017 - Gains



Finance
(175 000)

Mainly driven by an increase in:

- Other business activities
- Financial intermediation



Trade
(129 000)

Mainly driven by an increase in:

- Hotels and restaurants
- Retail trade



Transport
(92 000)

Mainly driven by an increase in:

- Other land transport
- Postal and related courier activities
- Telecommunication



Manufacturing
(88 000)

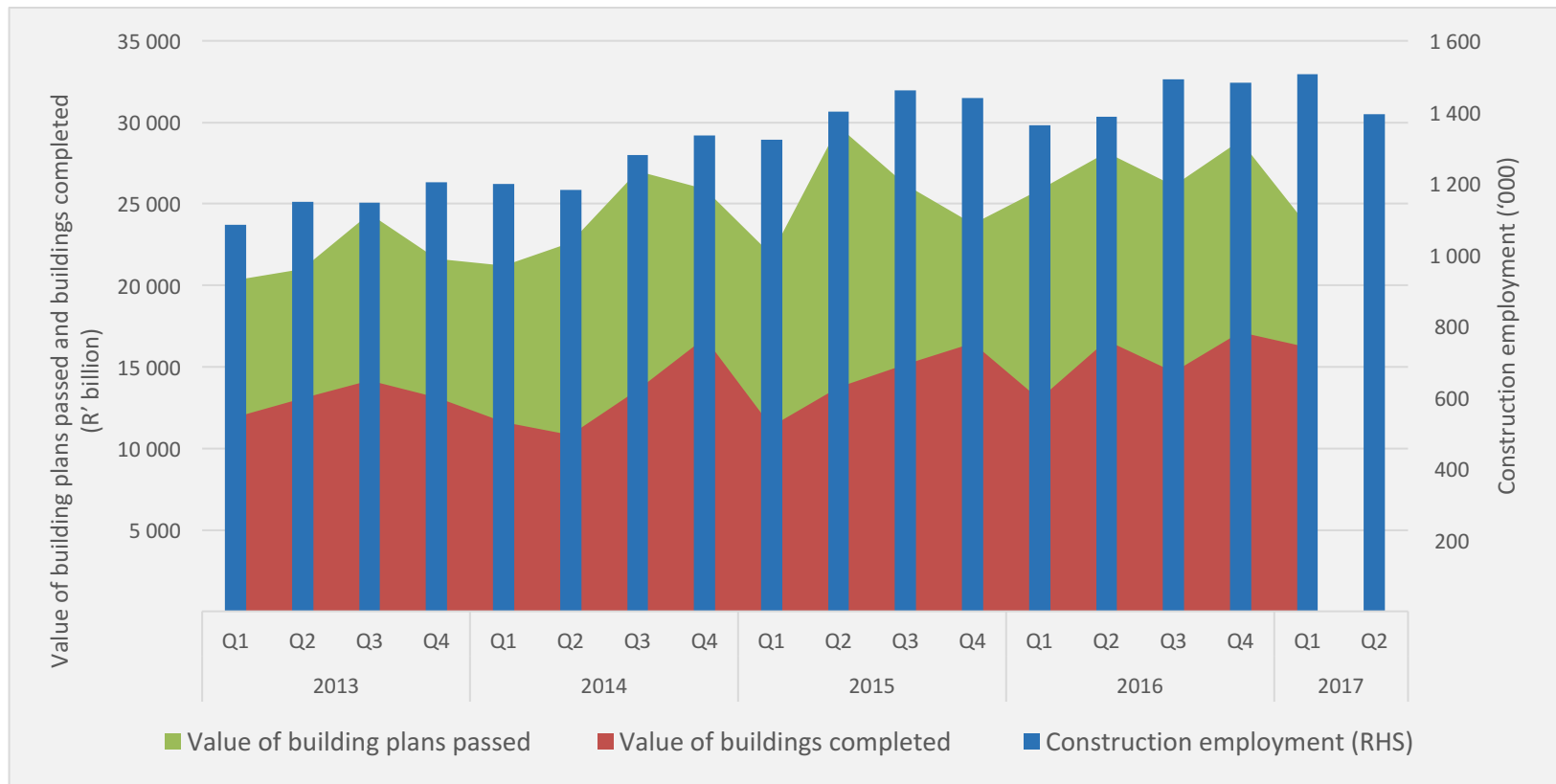
Mainly driven by an increase in:

- Manufacture of basic metals
- Manufacture of wood and product of wood and cork

Source: QLFS, Q2:2017

Construction employment vs Building statistics

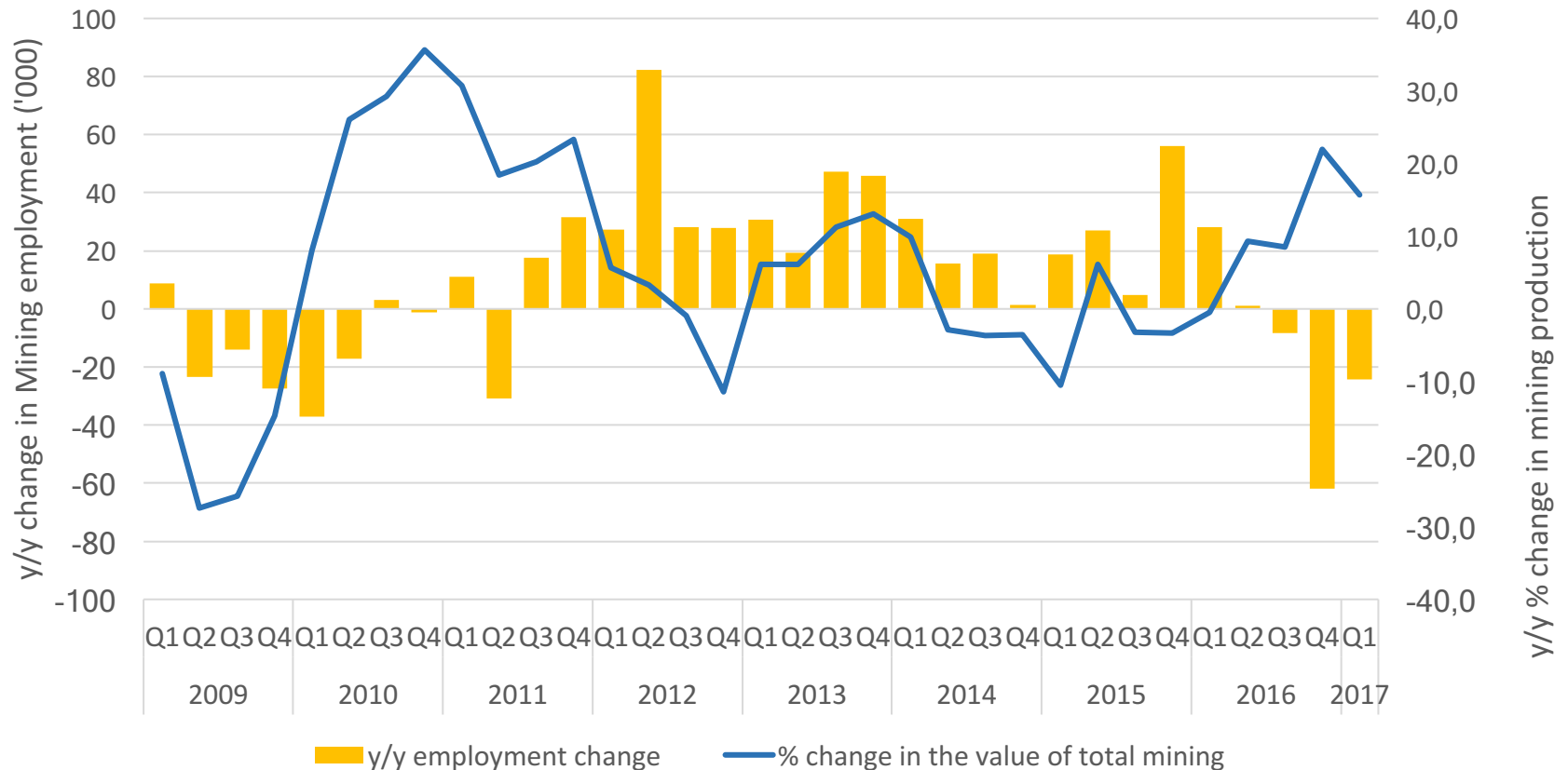
Construction employment declined by 110 000 qtr-to-qtr in Q2:2017. The value of building plans passed declined ahead of declining construction employment.



Source: QLFS, Q2:2017

Year-on-year mining employment vs mining production

Year-on-year Mining employment declined for three successive quarters



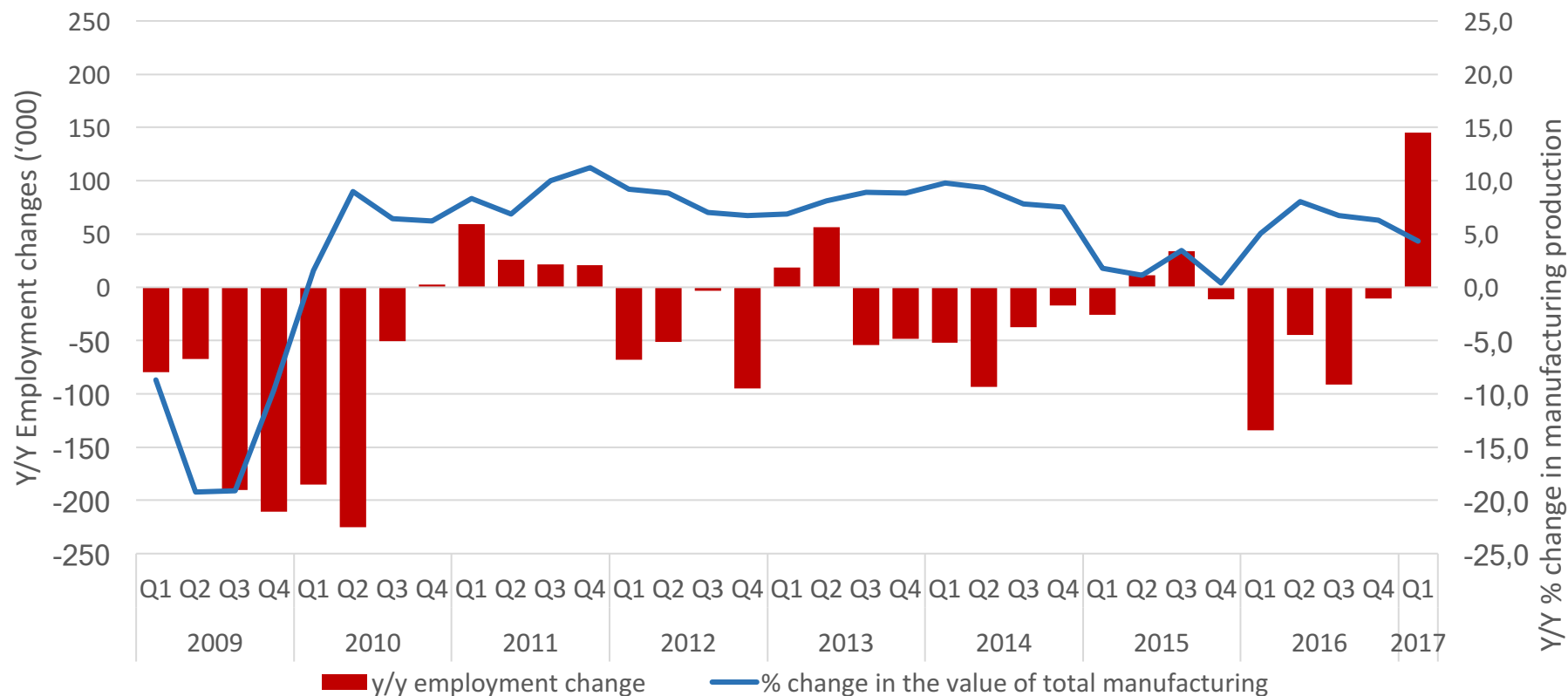
Source: QLFS, Q2:2017

Year-on-year manufacturing employment vs manufacturing production

After five successive year-on-year declines Manufacturing employment increased by 88 000 in Q2:2017

Mainly driven by an increase in:

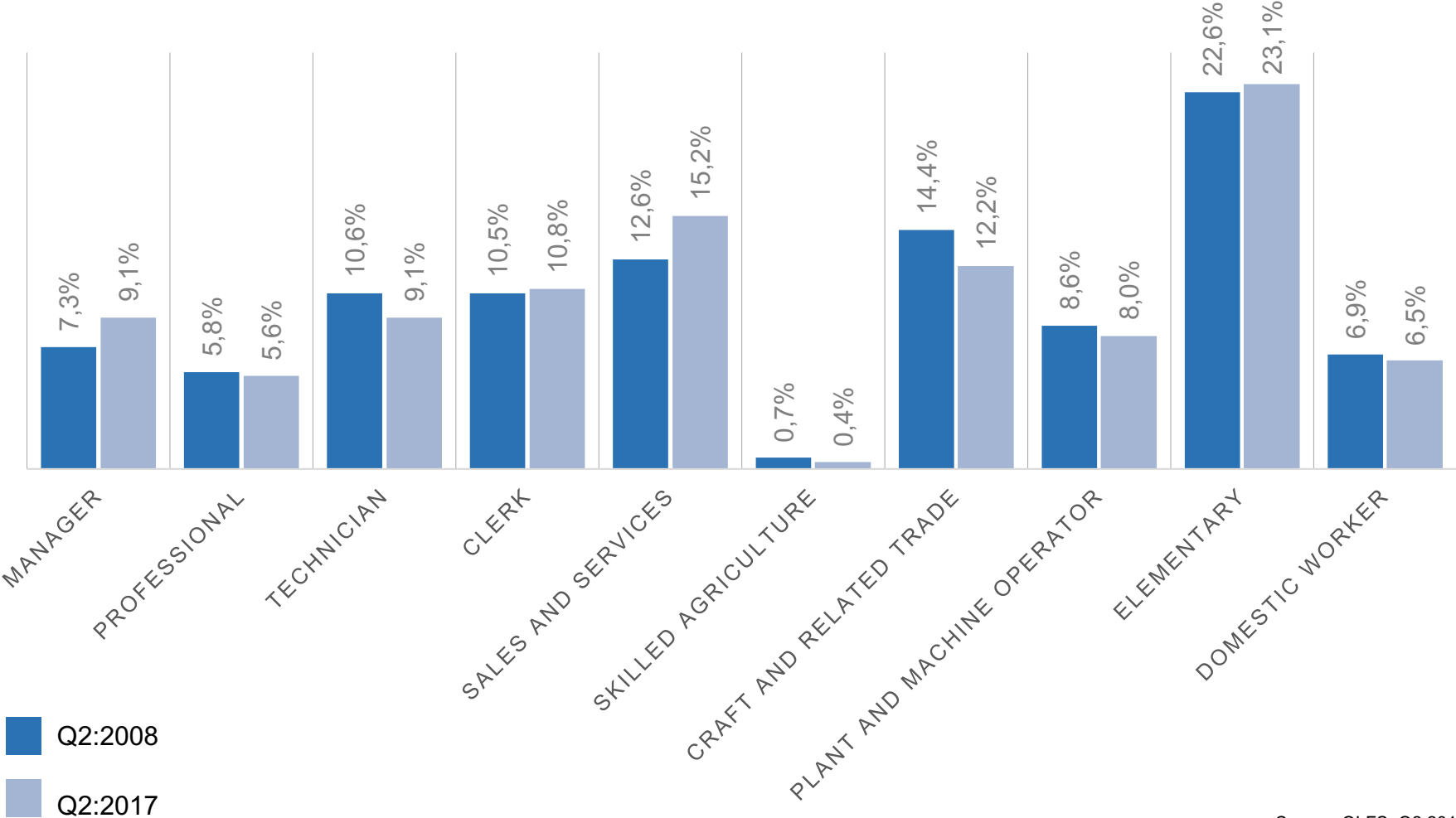
- Manufacture of basic metals
- Manufacture of wood and product of wood and cork



Source: QLFS, Q2:2017

Employment share by occupation, Q2:2008 and Q2:2017

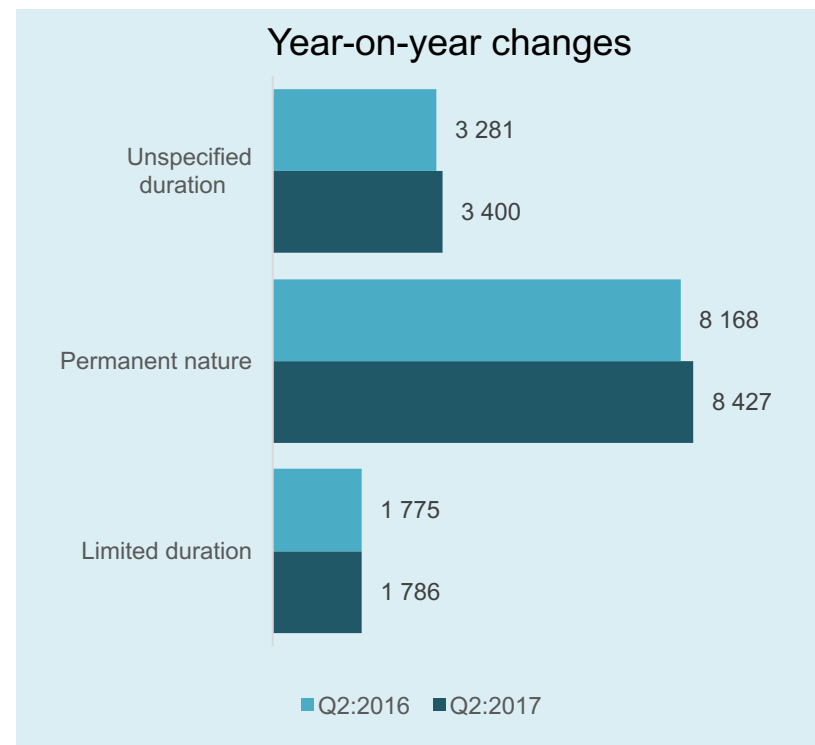
Close to a third of all people employed in Q2:2008 and Q2:2017 were employed in elementary and domestic work occupations



Source: QLFS, Q2:2017

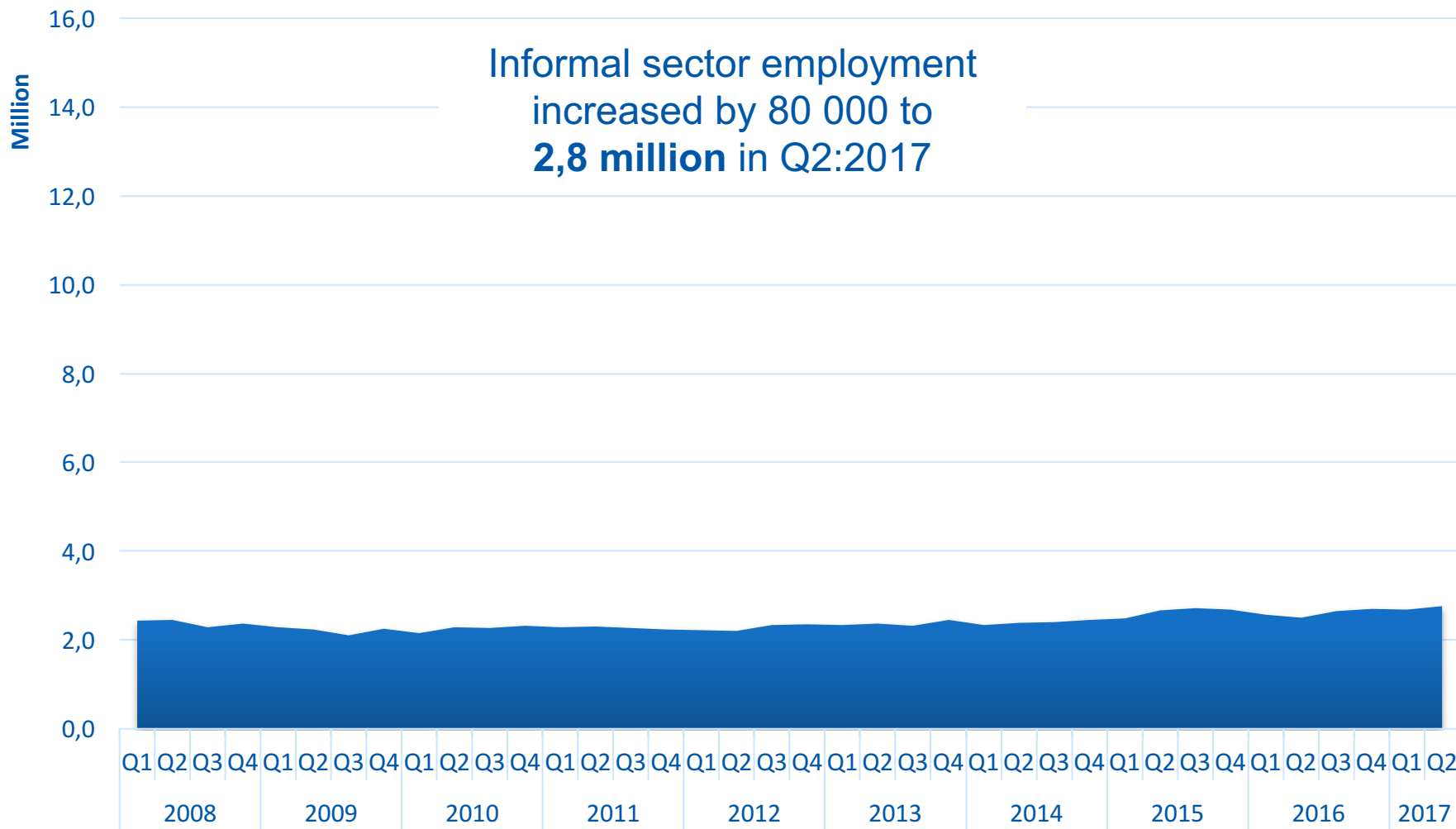
Number of employees by contract type

The highest employment growth was among those with contract of permanent duration quarter on quarter while employment decreased among those with contract of limited duration both quarter-to-quarter and year-on-year basis.



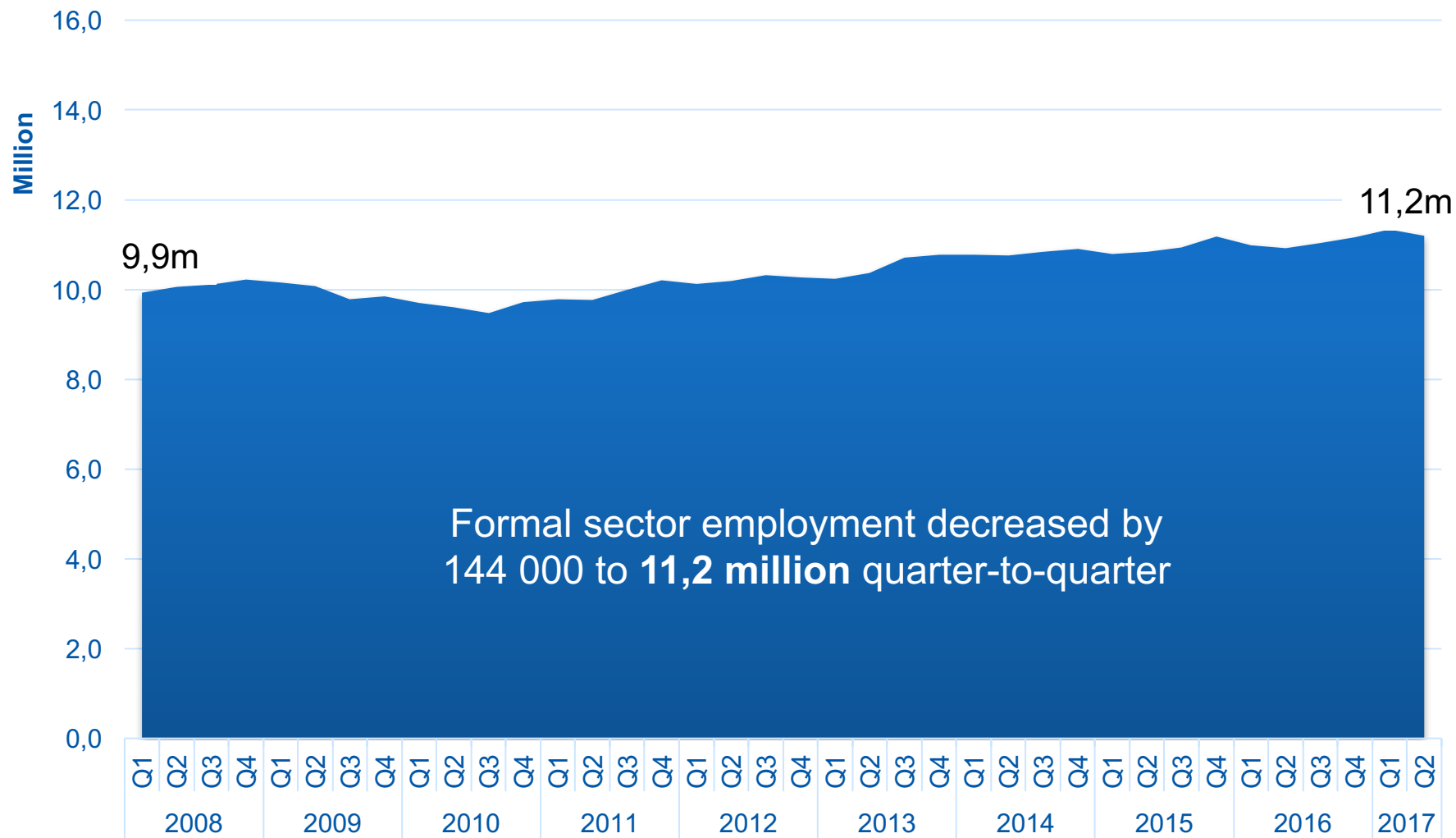
Source: QLFS, Q2:2017

Informal sector employment



Source: QLFS, Q2:2017

Formal sector employment



Source: QLFS, Q2:2017

Sources of formal sector employment:

Stats SA collects information about formal sector employment from:

Quarterly Labour Force Survey (QLFS)
and the
Quarterly Employment Statistics (QES)

Source: QLFS, Q2:2017

QES



collects information from
businesses

VS

QLFS



collects information from
households

The two surveys yield different employment estimates because of coverage, sample size, reference periods, concepts and definitions.

Source: QLFS, Q2:2017

Differences between QES and QLFS

QLFS

Private h/holds & worker's hostels (excl. institutions)
Total employment (+15 years) incl. informal sector,
private h/holds, agriculture & small bus.

30 000 dwellings

1 week before interview

All industries

Employers and own-account workers reg. for VAT or
income tax.
Employees paying income tax & those not paying tax
but in firms with 5 or more workers

QES

Payroll of VAT registered businesses in the formal
sector (excl. agriculture)
Employees only

20 000 businesses

Payroll last day of quarter

Excluding Agriculture and personal households

Employees on payroll of VAT registered businesses
(with annual turnover greater than R300 000)

Coverage

Sample
Size

Reference
Period

SIC

Definition

Source: QLFS, Q2:2017

Employment differences between QES and QLFS

For comparison QLFS can be adjusted as follows



Exclude employers and own-account workers from formal sector



Exclude Agriculture



Exclude Private households

Source: QLFS, Q2:2017

Employment differences between QES and QLFS

In some cases, even after these adjustments, it is still difficult to align the

QLFS

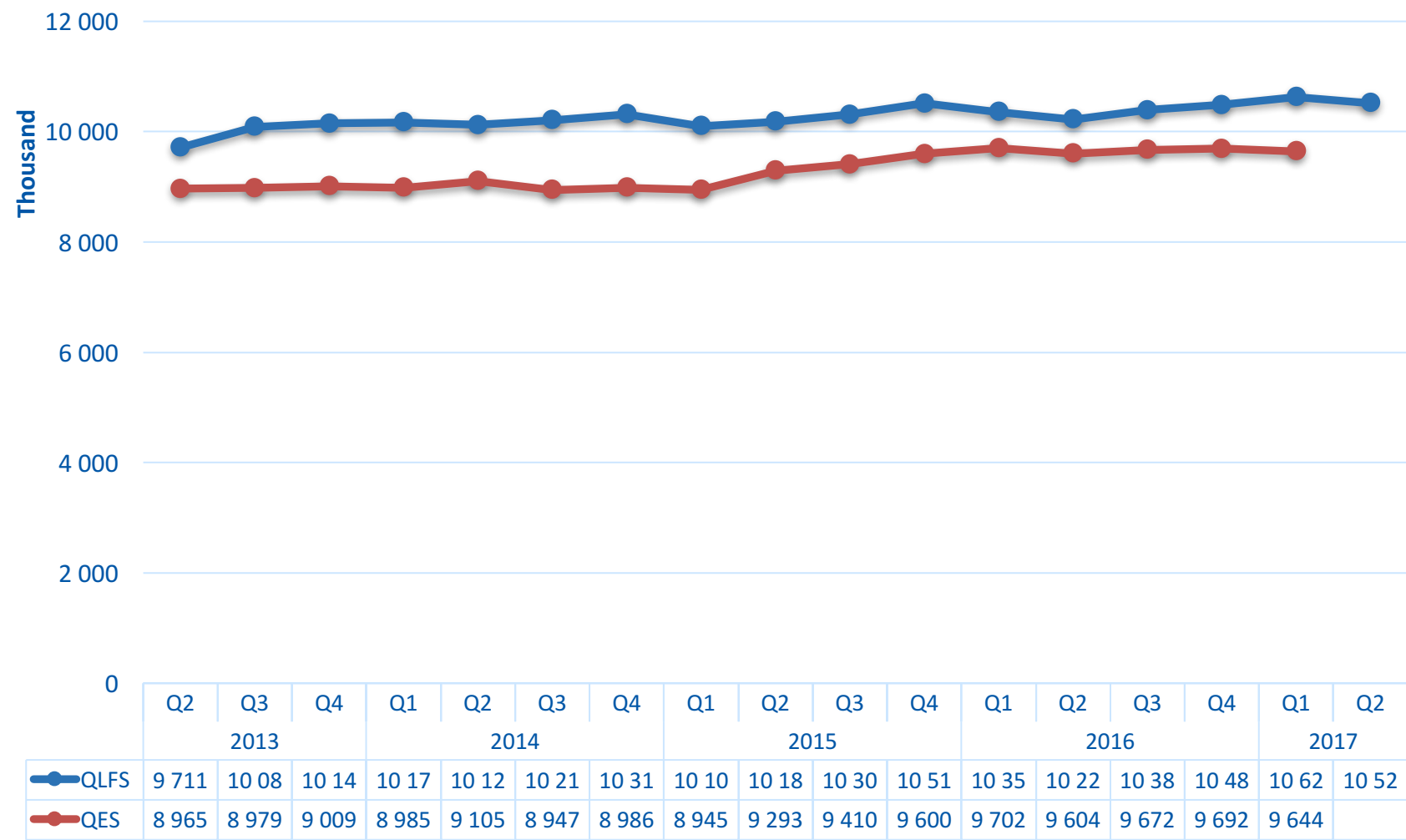
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QES employment estimates

- This is partly because the composition and structure of both businesses and households are changing constantly.
- QLFS cannot isolate individuals who work in VAT registered businesses with annual turnover more than R300 000.

Source: QLFS, Q2:2017

Comparison of QES and QLFS employment

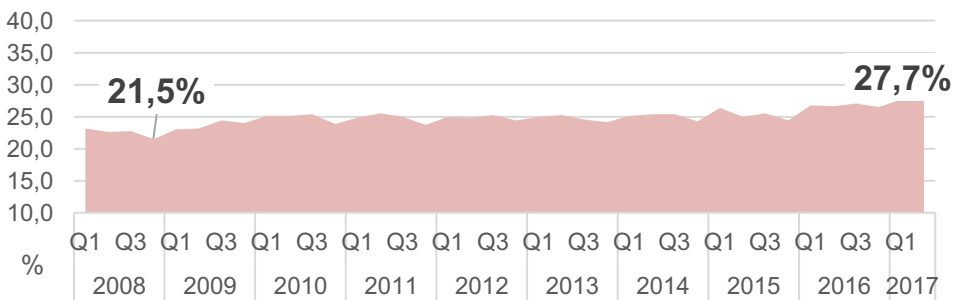


Source: QLFS, Q2:2017

Unemployment

Source: QLFS, Q2:2017

Official unemployment rate



The official unemployment rate remained unchanged (q/q)

6,2 million

people were unemployed in Q2:2017
A decrease of **37 000** q/q



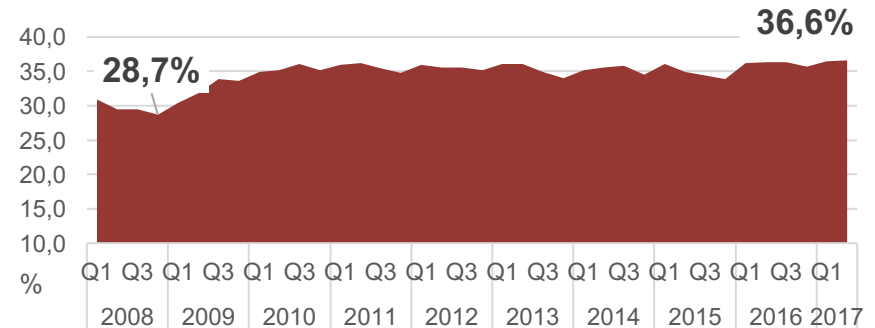
29,8%

remained unchanged (q/q)



26,0%

Expanded unemployment rate



The expanded unemployment rate increased by **0,2** of a percentage point (q/q)

9,3 million

people were unemployed in Q2:2017
An increase of **13 000** q/q



40,4%



by 0,4 of a percentage point q/q

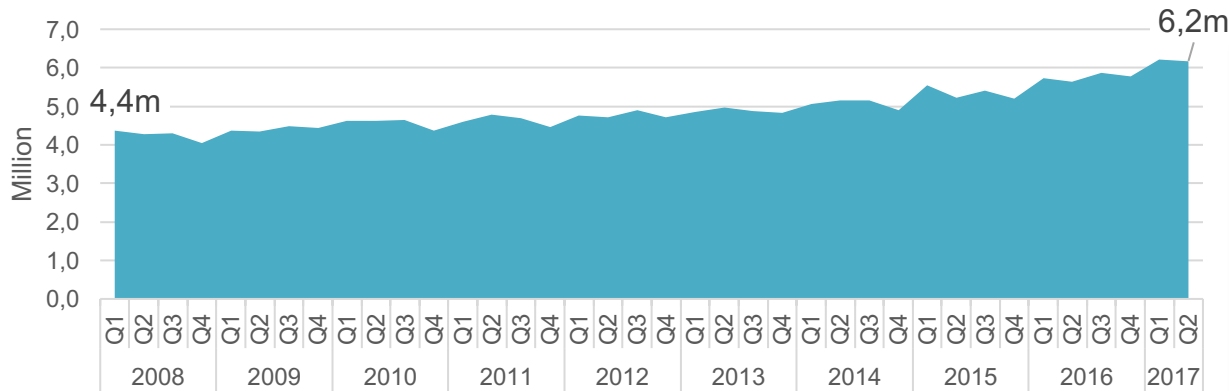


33,3%

remained unchanged (q/q)

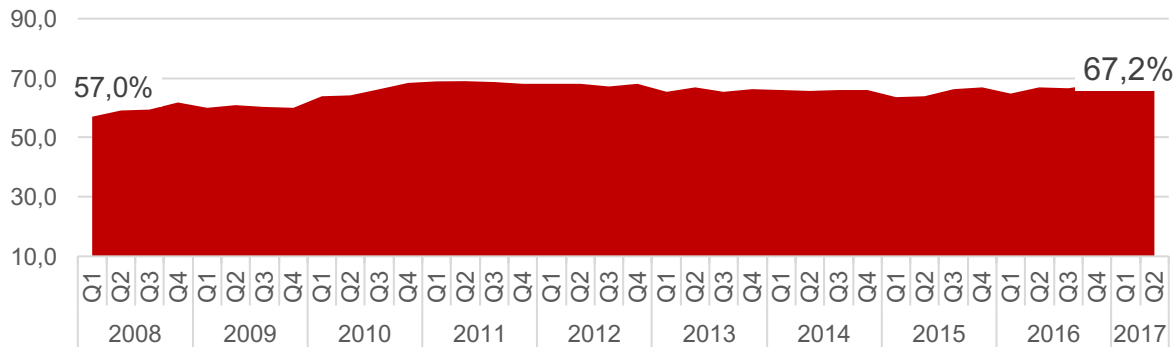
Labour market dashboard

Number of unemployed



The number of unemployed people in South Africa increased from 4,4 million in 2008 to 6,2 million in Q2:2017

Long term unemployment



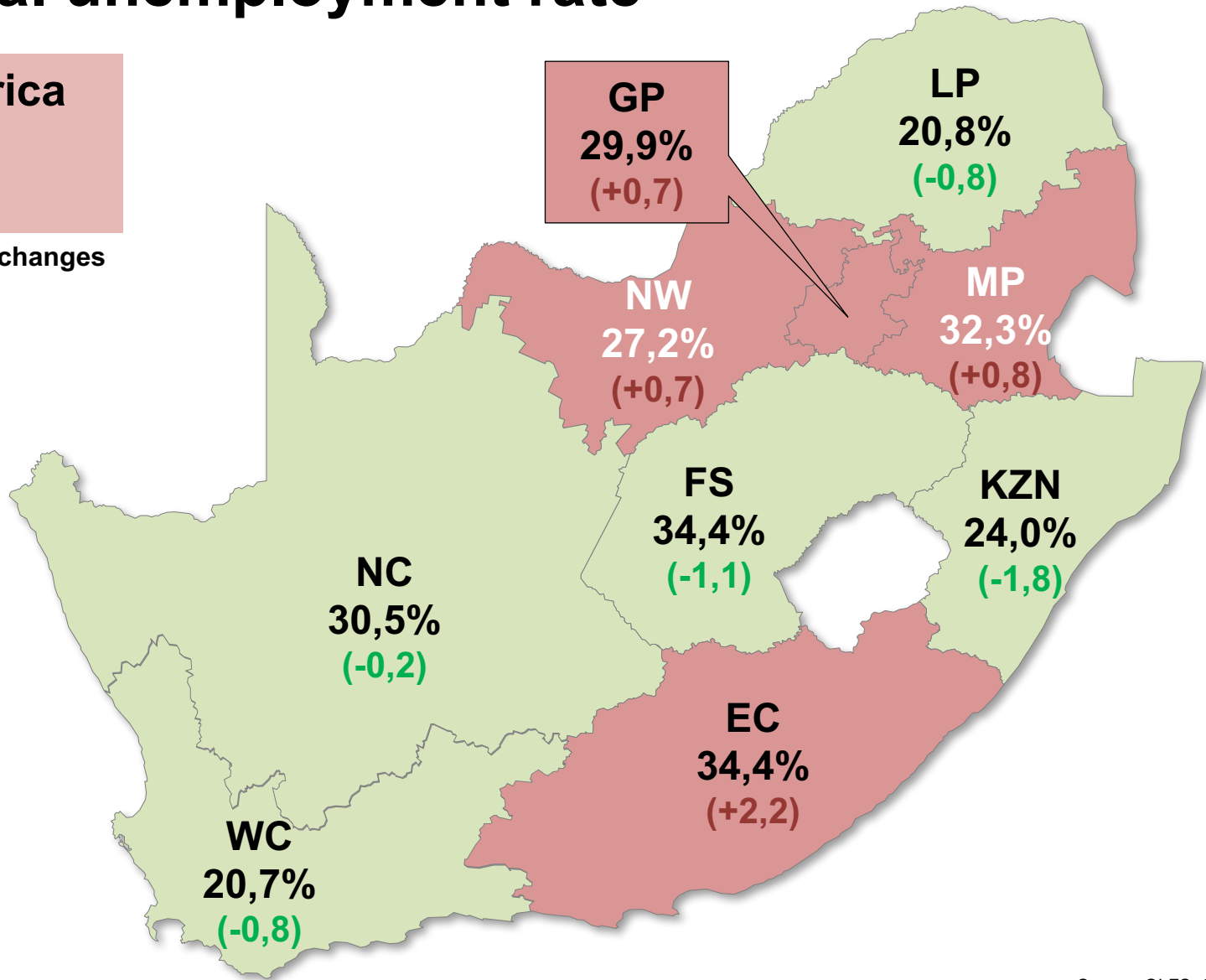
The proportion of those in long-term unemployment increased from 65,8% in Q1:2017 to 67,2% in Q2:2017

Source: QLFS, Q2:2017

Provincial unemployment rate

South Africa
27,7%
(0,0)

Quarter-to-quarter changes



Source: QLFS, Q2:2017

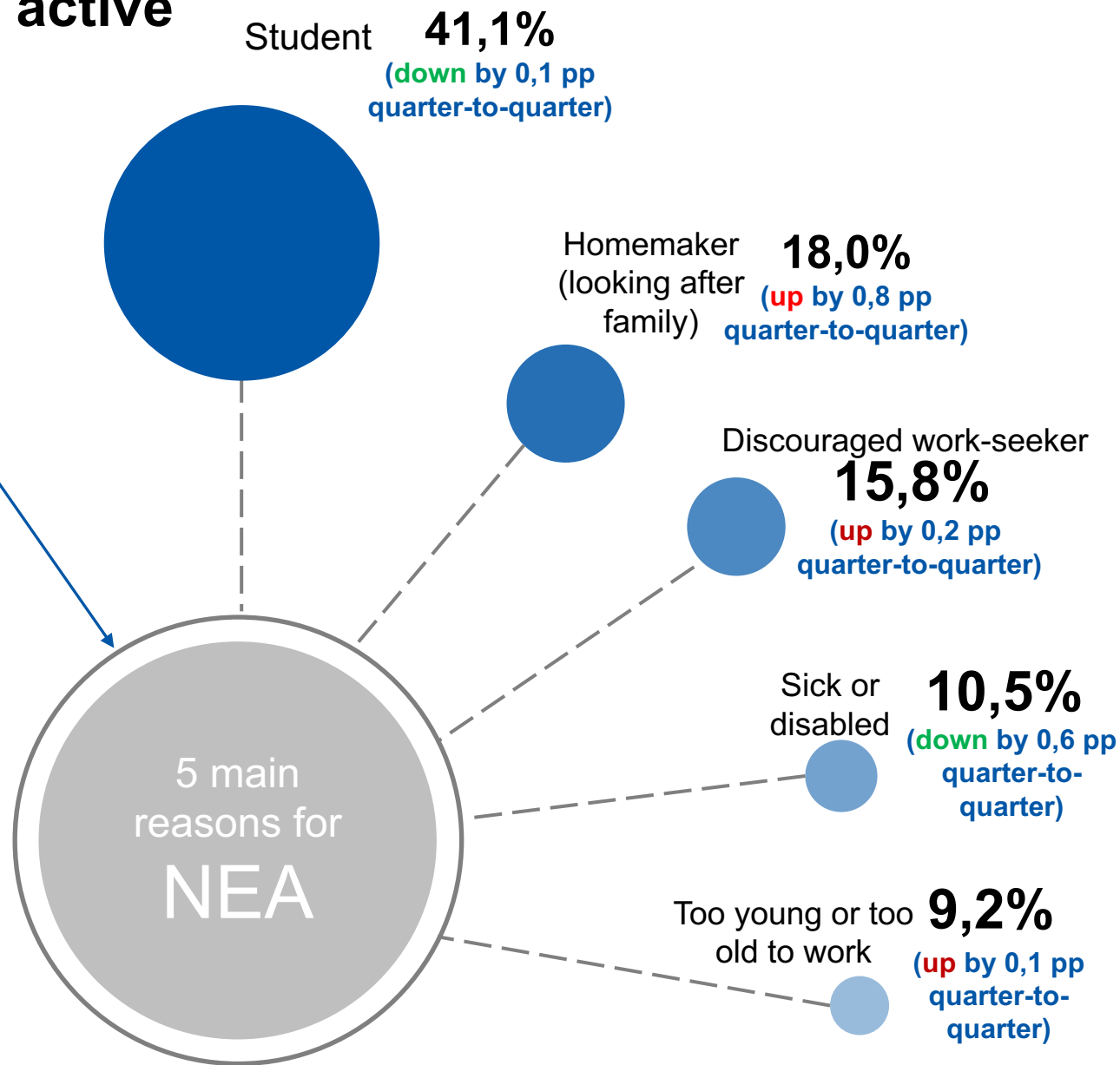
Understanding Non-economically active

Source: QLFS, Q2:2017

Non-economically active

14,9 million

people aged
15 – 64 years
were neither employed
nor unemployed.
An increase of 306 000 q/q



Source: QLFS, Q2:2017

Key findings: Q2:2017



Number of employment and unemployment persons decreased in Q2:2017.

This resulted in the unemployment rate remaining unchanged in the first quarter of 2017 at 27,7%.

Proportion of the working age population that is employed (absorption rate) declined by 0,4 of a percentage point to 43,3%.

→ Largest employment losses were recorded in Construction (110 000) and Agriculture (40 000).

→ However, employment gains were observed in Trade (58 000), Finance (17 000), Manufacturing (10 000) and Utilities (2 000).

→ The proportion of those in long-term unemployment increased from 65,8% in Q1:2017 to 67,2% in Q2:2017.

→ Young people aged 15-24 remain vulnerable in the labour market with an unemployment rate of almost 56% and absorption rate of 11,9%

→ NEET rate of young people (15-24 years) increased by 1,0 percentage point to 32,2% in Q2:2017.

Source: QLFS, Q2:2017

Thank you

Source: QLFS, Q2:2017