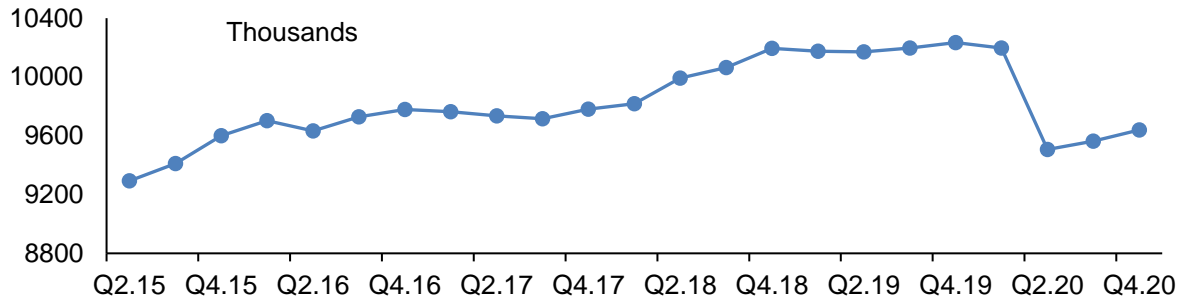




**Employment update: Non-farm employment increased modestly on a q/q basis in Q4.20, but was down -5.8% y/y**

Tuesday 30 March 2021

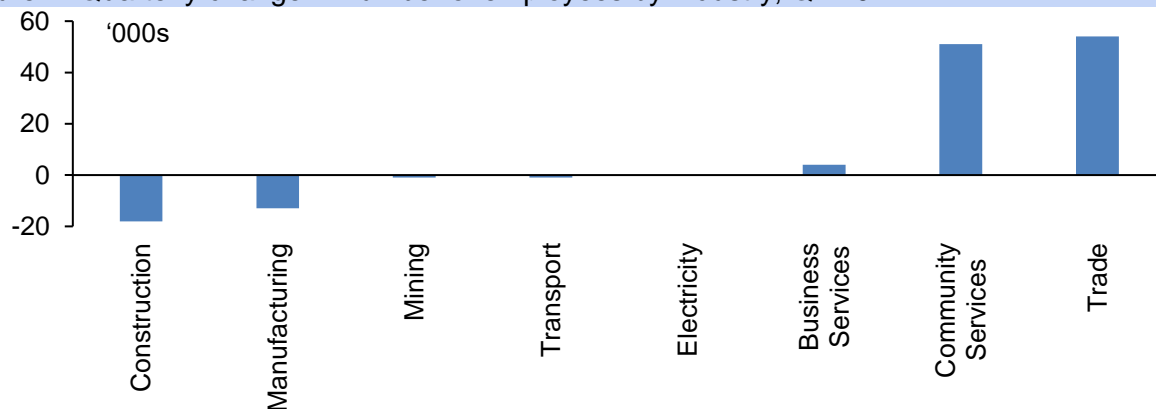
**Figure 1: Employment in the non-agriculture formal sector**



Source: Stats SA

- The further loosening of Covid-19 linked restrictions in Q4.20 led to a moderate 76 000 increase in formal non-farm employment to 9.64 million people (0.8% q/q), however most new positions in Q4.20 were part-time in nature, this was likely largely due to seasonal factors, supported by the increase in demand in the run up to and during the festive season. Indeed, part-time positions within the trade sector grew by 54 000 in the fourth quarter (the total number of part-time jobs increased by 87 000 or 9.2% q/q).
- However, it also evidences the level of financial uncertainty still present, with many employers hesitant to hire full time employees until economic recovery gains momentum.
- Measured on an annual basis however, total employment was down a further -5.8% or 594 000 in Q4.20, reflecting the devastating effect of the pandemic on SA's labour market situation, where even before the onset of the lockdown restrictions to control the spread of covid-19, unemployment was very high.
- Dealing with the country's severe unemployment situation, particularly within the youth category remains a key priority of government and is a central focus of its economic reconstruction and recovery plan.

**Figure 2: Quarterly change in number of employees by industry, Q4.20**



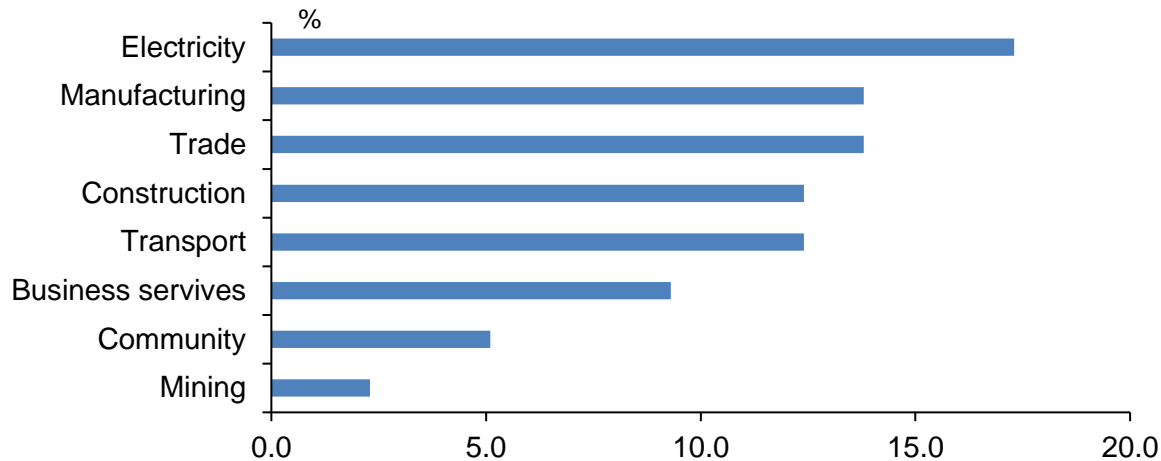
Source: Stats SA



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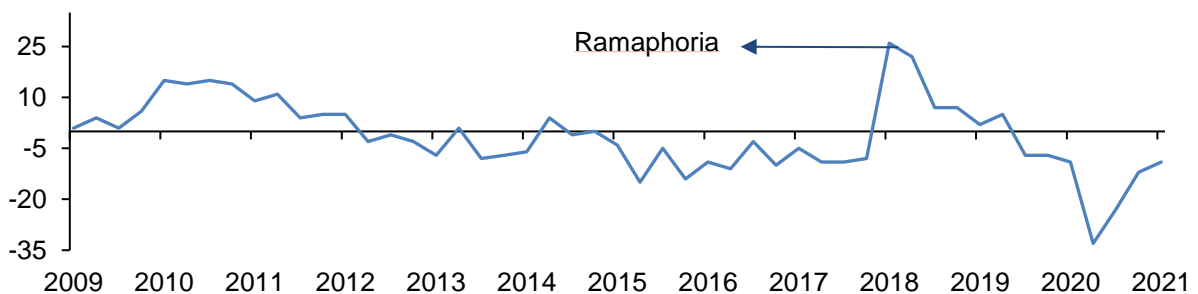
Figure 3: Quarterly change in Gross Earnings by industry, Q4.20



Source: Stats SA

- The Quarterly Employment Survey also provides detail on wage developments across economic sectors. Gross earnings paid to employees across all industry groups increased by R60.3bn or 8.9% q/q, following Q3.20's 5.5% q/q lift. The increase was broad based across sectors, with the largest quarterly lifts of R16.3bn, R12.7bn and R12.1bn afforded to the business services, trade and community services sectors respectively. On a year-on-year basis however total gross earnings fell by -4.6% or -R36.1bn.
- On an average monthly basis (in real terms), earnings for non-farm employees rose by 2.4% q/q to R23 133 in November 2020 (incl. bonuses and overtime), after rising by 5.3% q/q in August.
- The numerous monetary and fiscal relief measures provided have helped to ease the burden on some households in the formal sector of the economy, however many households are likely to continue facing financial uncertainty.
- While plunges in activity, as experienced in the second quarter of last year are unlikely going forward, further waves of infections accompanied by tighter restrictions is anticipated, until the vaccine is widely dispersed, thus hindering economic activity.

Figure 4: Consumer confidence



Source: Stats SA



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