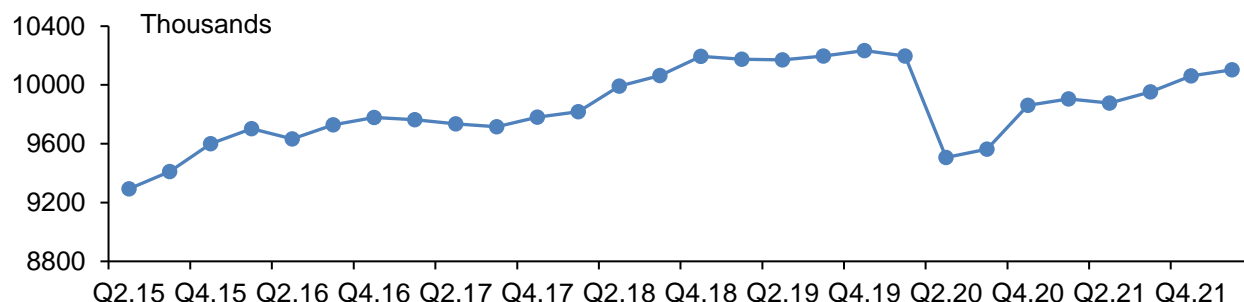




Employment update: Non-farm employment rose marginally in Q1.22 buoyed by the part-time employment category

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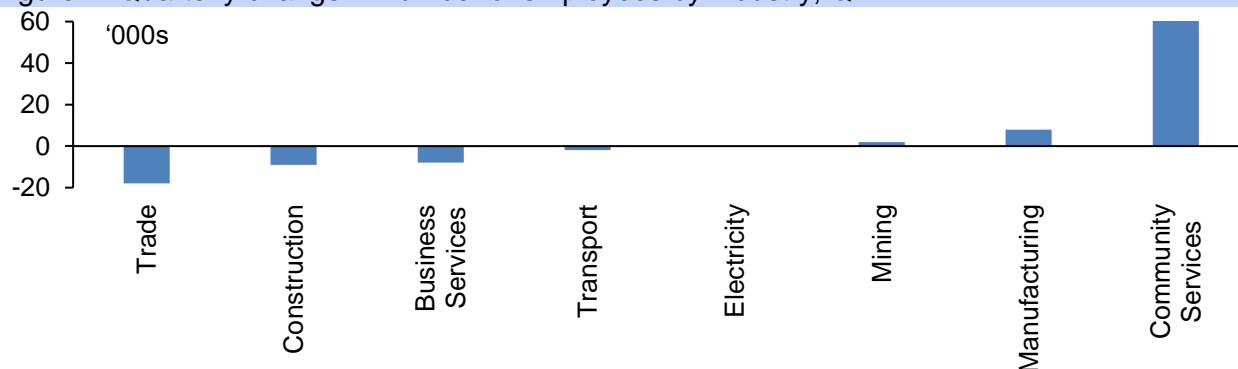
Figure 1: Employment in the non-agriculture formal sector



Source: Stats SA

- The lifting of COVID-19 linked restrictions has seen a pick-up in economic activity however employment levels remain below those logged before the onset of the pandemic.
- Formal sector non-farm employment rose marginally in the first quarter of 2022 by 0.4% when measured on a quarter-on-quarter basis, underpinned largely by a lift in the part time employment category. Specifically, a further 41 000 part-time positions were added in Q1.22 (3.5% q/q lift), primarily in the community services and manufacturing sectors.
- The hiring of part-time workers likely reflects the current economic climate and level of financial uncertainty still present, with many employers unable or hesitant to hire full time employees.
- A disaggregation of the employment data (both full-time and part-time employees) on an industry basis indicates that the trade sector shed a further 18 000 jobs in Q1.22, mostly part-time employees following the seasonal increase in Q4.21, ahead of the busy festive period.
- However, when measured on a year-year basis jobs in this sector grew by 1.0%. The tourism and related sectors have been one the biggest casualties of the pandemic, however as restrictions have been lifted and travel bans abolished this industry is gaining momentum as can be seen by the marked increase in overseas travellers entering the country, according to Stats SA data.
- Total employment numbers also declined within the construction, transport and business services segments of the market over the quarter by -1.7% q/q, -0.5% q/q and -0.3% q/q respectively.

Figure 2: Quarterly change in number of employees by industry, Q1.22



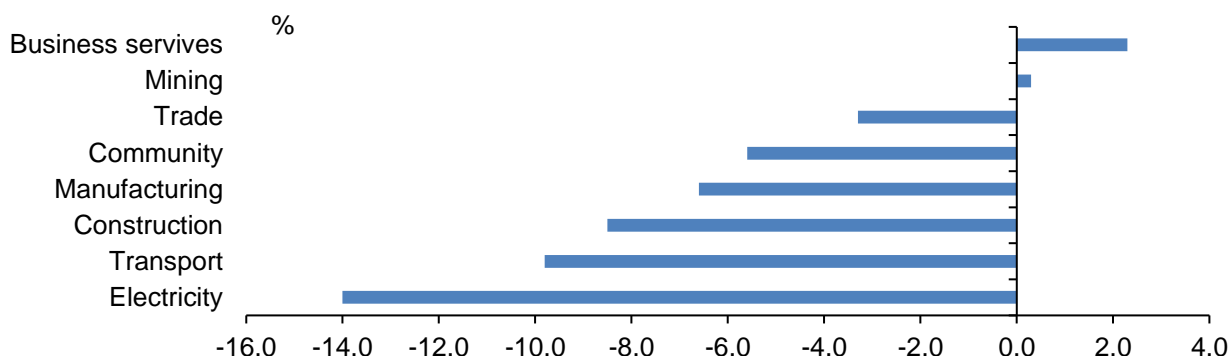
Source: Stats SA



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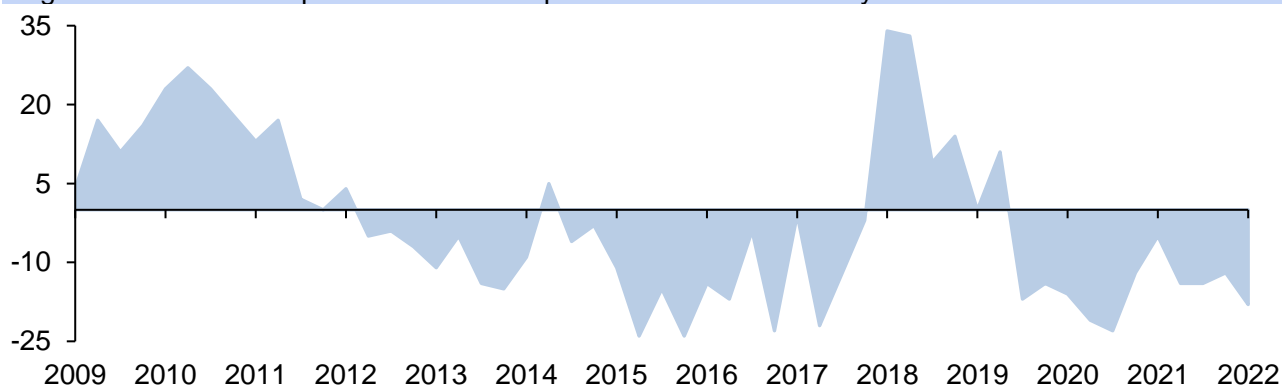
Figure 3: Quarterly change in Gross Earnings by industry, Q1.22



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 fell by R28.2bn or -3.4% q/q. The decrease was broad based across sectors, with all industries besides those in the mining and business services sectors experiencing declines. On a year-on-year basis total gross earnings however rose by 7.6% or R56.6bn.
- Moreover, average monthly earnings (in real terms) for non-farm employees fell by 2.7% q/q (incl. bonuses and overtime) in Feb, after rising by a marked 22.6% q/q (revised) in November. Measured on an annual basis however, average earnings are up 19.7%.
- Despite the improvement in earnings, many households remain financially stretched as the cost of living continues to climb.
- South Africa's growth trajectory continues to be stifled by electricity supply constraints, logistical challenges and heightened red tape. A lift in the factors which drive business confidence is required to encourage investment, growth and accordingly job creation.

Figure 4: Consumer expectations of the improvement in the economy



Source: BER



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