



Tuesday 15 August 2023



Figure 1: Unemployment levels ('000) and rates

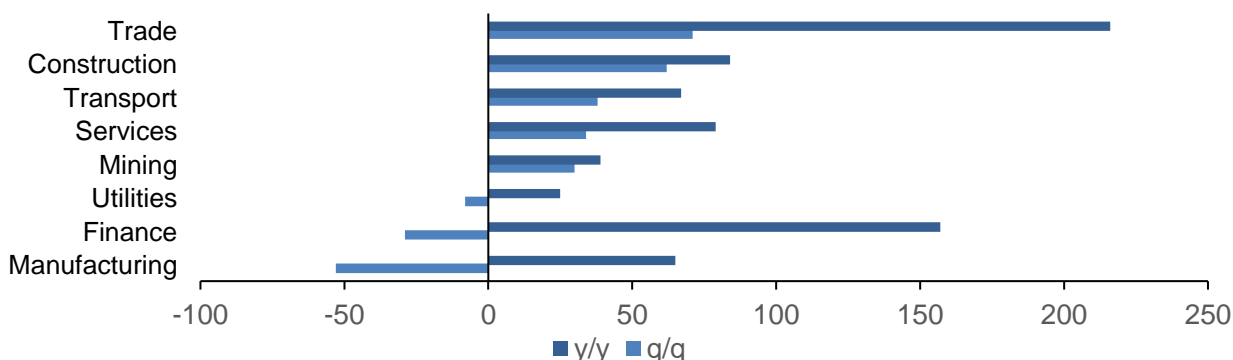
	Q4.22	Q1.23	Q2.23
Economically Active Population – labour force	23 688	24 125	24 268
Not Economically Active Population	16 774	16 479	16 478
Employed	15 934	16 192	16 346
Unemployed (official/ strict definition)	7 753	7 933	7 921
Unemployment rate (official/ strict) definition)	32.7%	32.9%	32.6%
Unemployed (expanded definition)	11 849	11 937	11 872
Unemployment rate (expanded definition)	42.6%	42.4%	42.1%

Source: Stats SA

*Numbers are rounded

- The official unemployment rate decreased marginally to 32.6% in the second quarter of 2023 from 32.9% logged in Q1.23. Although it has improved moderately from levels recorded during the pandemic, it remains at an elevated level.
- A “number of persons moved from the “not economically active” and “unemployed” statuses to the “employed” category between the two quarters”, according to Stats SA, resulting in the 0.3 of a percentage point decline in the unemployment rate.
- Accordingly, the labour force participation rate picked up slightly to 59.6% (previously 59.4%), however it remains below 60%, evincing the fragility of the South African economy, which is plagued by a number of structural challenges, significantly impeding activity and weighing heavily on confidence and growth.
- The number of employed persons increased by 154 000 to 16.3 million (1.0% q/q) with the formal sector of the economy primarily absorbing these individuals. Moreover, employment gains were logged within the private households’ segment (37 000 positions). Conversely, the informal (non-agriculture) sector shed -33 000 positions (-1.1%) over the quarter, but employment in this category is still up when compared to the same period last year (2.2%).
- A disaggregation of the data (formal employment) on an industry basis, indicates that q/q increases were logged in five of the eight industries surveyed, with the trade sector recording the largest number of job gains of 71 000, this following job losses of -44 000 in Q1.23. Moreover, the construction sector added a further 62 000 positions.
- Conversely, the manufacturing sector shed -53 000 jobs in Q2.23. Structural challenges including persistent load shedding, subdued local demand and a fragile global environment have weighed on business activity and new order growth.

Figure 2: Employment levels by industry (Formal Sector) ('000)

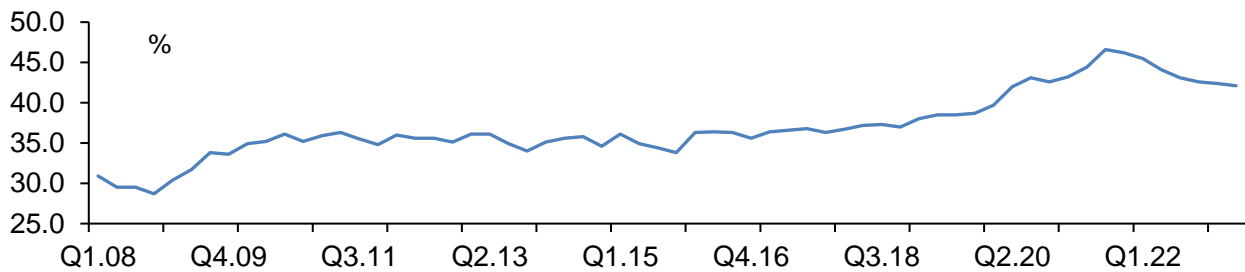


Source: Stats SA

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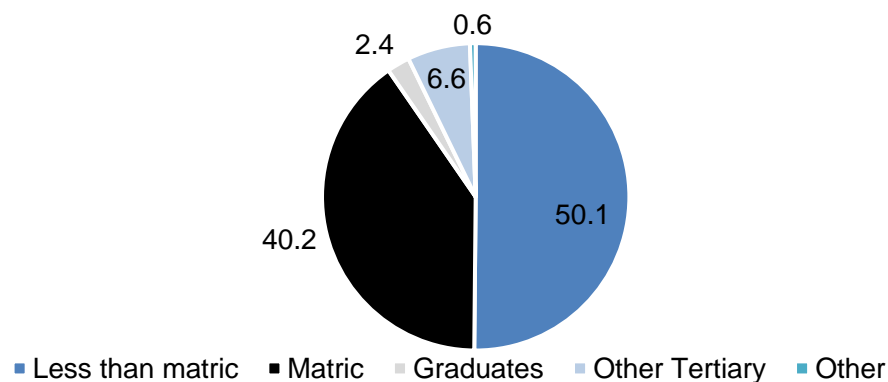
Figure 3: Expanded Unemployment Rate Trend



Source: Stats SA

- A breakdown of employment data by province indicates that jobs gains were experienced in all provinces except the Free State and Northern Cape which recorded declines of -59 000 (-7.5% q/q) and -17 000 (-5.0% q/q) respectively in Q2.23.
- The youth category which comprises those aged 15-24 years are the most disadvantaged segment of the economy when it comes to finding sustainable employment in this subdued market, with many lacking the necessary skills and experience. Unemployment in this grouping did come down slightly in Q2.23 to 60.7% (from 62.1% previously) but remains at a critically elevated level. Improving the quality of and access to education and skills training programmes remains vital.
- According to Stats SA, “of the 7,9 million unemployed persons in the second quarter of 2023, as many as 50.1% did not have matric” a worrying statistic, while 40.2% had completed matric. “Only 6,6% of the unemployed had other tertiary qualifications, while 2,4% of unemployed persons were graduates”.
- While this is a priority area for government, gains will be felt over the longer term. Emphasis needs to be placed on areas of the economy which can be rectified or improved in the near-term, thus boosting confidence, attracting investment and accordingly driving growth and job creation.
- The expanded unemployment rate, (which includes individuals who desire employment regardless of whether they are actively seeking work) declined marginally to 42.1% (from 42.4% in Q1.23) but is a marked 12.6 percentage points higher than the rate logged during the same period in 2008, demonstrating the extent of SA’s unemployment predicament.

Figure 4: Proportion of the unemployed by education level – Q2.23 (%)



Source: Stats SA



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