

## Unemployment rate unchanged at 27.7%

South Africa's unemployment rate has remained unchanged between quarter one and two of 2017 at 27.7%, Statistics South Africa (Stats SA) said on Monday, 7 August 2017.



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“Unemployment has stayed steady at 27.7% in the second quarter of the year,” Statistician General Pali Lehohla told a media briefing in Tshwane on Monday.

On a year-on-year basis, the unemployment rate increased by 1.1%.

“We don’t know what the next quarter will be [bring]... It’s very difficult to say that there will be more jobs,” said Lehohla.

Stats SA released the Quarterly Labour Force Survey (QLFS), which showed that in the second quarter, South Africa had 37.2 million people of working age - up by 157,000 people quarter-on-quarter.

According to the survey, employment declined by 113,000 to approximately 16.1 million, while the number of those seeking work also declined by 37,000 to approximately 6.2 million.

The labour absorption rate was at 43.3% in the second quarter. It has not recovered to the level of 45.8% of 2008.

Lehohla said the absorption rate (employment to population ratio) is an important indicator of the ability of the economy to absorb people who are of working age.

“This [absorption rate] has been in the morgue for a very long time,” he said.

When coming to the labour market rates by sex, the survey - which collects information from households - showed that the unemployment rate for women is higher than that of men, with 29.8% of women being unemployed. The unemployment rate was 26% for men in the second quarter.

The survey also found that young people aged 15 to 24 remain vulnerable in the labour market with an unemployment rate of almost 56% and an absorption rate of 12%.

The net quarterly employment decline of 113,000 in the second quarter was driven by declines in six of the ten industries, with the largest decreased recorded in the construction (110,000) and agriculture at 40,000.

The QLFS also showed employment gains in the trade (58,000), finance (17,000), manufacturing (10,000) and utilities (2,000).

The survey found that the number of employed people decreased in five of the country's nine provinces between the first and second quarter. Gauteng saw the largest employment losses at 143,000, followed by the Eastern Cape at 26 000 while Limpopo and KwaZulu-Natal recorded employment gains of 32,000 and 29 000 respectively.

While the report showed that young people aged 15 to 24 remain vulnerable in the labour market, 32.2% of those aged 15 to 24 were in the ‘Not in Employment, Education or Training (NEET)’. This was approximately 3.3 million young people.

The survey found that the proportion of those in long-term unemployment increased from 65.8% in the first quarter of 2017, to 67.2% in the second quarter.

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