Quarterly Labour Force Survey
Q1:2018
Faizel Mohammed
Stats SA
The labour market Q1:2018

37.7 million
People of working age in South Africa (15 – 64 year olds)

Labour force
22.4 million

Not Economically Active*
15.3 million

Employed
16.4M

Unemployed
6.0M

Other NEA
12.5M

discouraged work seekers
2.8M

South Africa’s official unemployment rate stands at 26.7%

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.

Unchanged btw Q4 2017 and Q1 2018

*Not Economically Active includes discouraged work seekers.
There was an increase of **153 000** people of working age in South Africa (15 – 64 year olds) between Q4:2017 and Q1:2018.

- **Unemployed**: + 100 000 q/q
- **Employed**: + 206 000 q/q
- **Discouraged work seekers**: + 249 000 q/q
- **Other Not Economically Active**: - 403 000 q/q
EMPLOYMENT & LABOUR MARKET RATES
The number of employed people increased from 14.4 million in Q1:2008 to **16.4 million** in Q1:2018.

Absorption rate increased in Q1:2018 to **43.5% (q/q)** and has not recovered to level of 45.8% since 2008.

The labour force participation rate increased by 0.5 percentage points to **59.3%** in Q1:2018 from Q4 2017.

*Labour force participation rate is the proportion of the working-age population that is either employed or unemployed.*

*Absorption rate is the proportion of the working-age population that is employed.*
Labour market rates vary significantly depending on education level

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Unemployment Rate</th>
<th>Absorption Rate</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than matric</td>
<td>31.1% +0.2%</td>
<td>34.3% 1.4%</td>
<td>49.8% +1.9%</td>
</tr>
<tr>
<td>Matric</td>
<td>28.2% +0.7%</td>
<td>48.0% -2.6%</td>
<td>66.8% -2.9%</td>
</tr>
<tr>
<td>Graduates</td>
<td>7.9%</td>
<td>82.2% -0.5%</td>
<td>89.2% +0.7%</td>
</tr>
<tr>
<td>Other tertiary</td>
<td>15.6% -1.4%</td>
<td>71.3% 0.5%</td>
<td>84.5% -0.9%</td>
</tr>
</tbody>
</table>

QLFS Q1: 2018

Change Percentage points Q4 2017 to Q1 2018

Labour market rates vary significantly depending on education level.
Labour market rates by age group

The unemployment rate for those aged 25-34 is double that of the 45-54 year olds.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Unemployment Rate</th>
<th>Absorption Rate</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64 yrs</td>
<td>8,9%</td>
<td>41,8%</td>
<td>45,8%</td>
</tr>
<tr>
<td>45-54 yrs</td>
<td>16,1%</td>
<td>62,1%</td>
<td>74,0%</td>
</tr>
<tr>
<td>35-44 yrs</td>
<td>20,9%</td>
<td>64,0%</td>
<td>80,9%</td>
</tr>
<tr>
<td>25-34 yrs</td>
<td>33,0%</td>
<td>49,4%</td>
<td>73,8%</td>
</tr>
<tr>
<td>15-24 yrs</td>
<td>52,4%</td>
<td>12,2%</td>
<td>25,6%</td>
</tr>
</tbody>
</table>

Change Percentage points Q4 2017 to Q1 2018
The unemployment rate among the youth is higher irrespective of education level.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Less than matric</th>
<th>Matric</th>
<th>Graduates</th>
<th>Other tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 – 24 years</td>
<td>53.6% (0.0%)</td>
<td>53.3% (2.7%)</td>
<td>33.5% (7.5%)</td>
<td>44.8% (2.0%)</td>
</tr>
<tr>
<td>25 – 34 years</td>
<td>39.0% (0.6%)</td>
<td>33.0% (0.7%)</td>
<td>10.2%</td>
<td>23.3% (2.4%)</td>
</tr>
<tr>
<td>35 – 64 years</td>
<td>22.7% (0.5%)</td>
<td>16.0% (-0.1%)</td>
<td>4.7% (1.0%)</td>
<td>8.1% (-1.0%)</td>
</tr>
</tbody>
</table>
PROFILE OF THOSE NOT IN EMPLOYMENT, EDUCATION OR 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.
Approx. 3.3 million (32.4%) out of 10.3 million young people aged 15-24, were not in employment, education or training.

The overall NEET rate remained unchanged in Q1: 2018 compared to Q1: 2017 at 32.4%.

- Male NEET: Down 0.9 of a Percentage Point
- Female NEET: Up 1.0 Percentage Point
Not in Employment, Education or Training: Provincial NEET rate (Year on Year Change Q1 2017 – Q1 2018)

<table>
<thead>
<tr>
<th>Province</th>
<th>Rate Q1 2018</th>
<th>Year on Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC</td>
<td>37.4%</td>
<td>(-1.8)</td>
</tr>
<tr>
<td>NW</td>
<td>37.0%</td>
<td>(+1.8)</td>
</tr>
<tr>
<td>KZN</td>
<td>36.4%</td>
<td>(0.0)</td>
</tr>
<tr>
<td>MP</td>
<td>35.9%</td>
<td>(+0.2)</td>
</tr>
<tr>
<td>EC</td>
<td>34.4%</td>
<td>(+0.3)</td>
</tr>
<tr>
<td>RSA</td>
<td>32.4%</td>
<td>(0.0)</td>
</tr>
<tr>
<td>GP</td>
<td>29.4%</td>
<td>(-0.9)</td>
</tr>
<tr>
<td>LP</td>
<td>29.1%</td>
<td>(+2.5)</td>
</tr>
<tr>
<td>FS</td>
<td>28.6%</td>
<td>(-2.2)</td>
</tr>
<tr>
<td>WC</td>
<td>26.9%</td>
<td>(-1.2)</td>
</tr>
</tbody>
</table>
Of people aged 15 – 64 years were employed in Q1:2018 (+206 000 q/q)

- **16,4m**

Q/Q

- Increased by 330 000
  - Formal Sector (Non agricultural) (11,4 million jobs)
- Increased by 93 000
  - Informal Sector (Non agricultural) (2,9 million jobs)
- Increased by 5 000
  - Private households (1,3 million jobs)
- Decreased by 3 000
  - Agriculture (847 000 jobs)
Construction, Trade, Agriculture and Services have higher employment shares relative to their GDP contribution.
The biggest employment gains were recorded in the Services, Manufacturing and Construction industries, quarter-to-quarter.

### Quarter-to-quarter change ('000)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>95</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>58</td>
</tr>
<tr>
<td>Construction</td>
<td>40</td>
</tr>
<tr>
<td>Trade</td>
<td>36</td>
</tr>
<tr>
<td>Finance</td>
<td>30</td>
</tr>
<tr>
<td>Private households</td>
<td>5</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-3</td>
</tr>
<tr>
<td>Utilities</td>
<td>-6</td>
</tr>
<tr>
<td>Mining</td>
<td>-14</td>
</tr>
<tr>
<td>Transport</td>
<td>-41</td>
</tr>
</tbody>
</table>

### Year-on-year change ('000)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>216</td>
</tr>
<tr>
<td>Trade</td>
<td>69</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>59</td>
</tr>
<tr>
<td>Finance</td>
<td>24</td>
</tr>
<tr>
<td>Utilities</td>
<td>-2</td>
</tr>
<tr>
<td>Transport</td>
<td>-4</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-28</td>
</tr>
<tr>
<td>Private households</td>
<td>-45</td>
</tr>
<tr>
<td>Mining</td>
<td>-50</td>
</tr>
<tr>
<td>Construction</td>
<td>-75</td>
</tr>
</tbody>
</table>
Quarter-on-quarter employment changes: Gains

**SERVICES**  
Mainly driven by gains in:  
- Health and social work  
- Public administration and defence activities  
- Activities of membership organisations, NEC.  
- Recreational, cultural and sporting activities

**MANUFACTURING**  
Mainly driven by gains in:  
- Manufacture of basic metals  
- Manufacture of coke, chemicals, rubber and plastic  
- Manufacture of textiles, clothing and leather goods

**CONSTRUCTION**  
Mainly driven by gains in:  
- Building installation

**TRADE**  
Mainly driven by gains in:  
- Wholesale trade  
- Retail trade

- Quarter-on-quarter employment changes: Gains
- Q/Q  
- Q/Q  
- Q/Q  
- Q/Q  
- 95 000  
- 58 000  
- 40 000  
- 36 000

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STATISTICS SOUTH AFRICA

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND
Quarter-on-quarter employment changes: Losses

- **Transport**
  - Mainly driven by losses in:
    - Other land transport
    - Railway transport
    - Air transport
  - Q/Q
  - 41 000

- **Mining**
  - Mainly driven by losses in:
    - Mining of:
      - Non-ferrous metal ores
      - Stone quarrying, clay and sandpits
      - Diamonds
  - Q/Q
  - -14 000

- **Utilities**
  - Mainly driven by losses in:
    - Collection, purification and distribution of water
    - Manufacture of gas
  - Q/Q
  - -6 000

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QLFS Q1: 2018

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND
Employment share by occupation, Q1:2018

- **Elementary**: 23.3%
- **Sales and services**: 16.4%
- **Craft and related trade**: 12.2%
- **Clerk**: 10.7%
- **Manager**: 8.7%
- **Technician**: 8.6%
- **Plant and machine…**: 8.3%
- **Domestic worker**: 6.1%
- **Professional**: 5.3%
- **Skilled agriculture**: 0.4%

Close to a third of all people employed in Q1:2018 were employed in elementary and domestic work occupations.
Formal sector employment has shown an upward trend increasing from 9,9 million in Q1:2008 to 11,4 million in Q1:2018.
Informal sector employment has increased from 2.4 million in Q1:2008 to 2.9 million in Q1:2018.
UNEMPLOYMENT
The number of unemployed people in South Africa increased from 4,4 million in Q1:2008 to 6,0 million in Q1:2018.

The proportion of those in long-term unemployment increased from 57,0% in Q1:2008 to 68,5% in Q1:2018.

* Unemployed for a year or longer
6,0 million people were unemployed in Q1:2018
An increase of 100 000 q/q

9,5 million people were unemployed in Q1:2018
An increase of 264 000 q/q

Official Unemployment Rate
26,7% (0,0% Point Change Q/Q)

Expanded Unemployment Rate
36,7% (+0,4 % Point Change Q/Q)

Expanded Definition includes the following:
- Official unemployment (searched and available) 6,0 M
- Available to work but are/or
  - Discouraged work-seekers 2,8 M
  - Have other reasons for not searching 0,7 M
Official unemployment rate by population group and sex

Unemployment rate by Population group

- **Both sexes**
  - Q1:2018: 26,7%
  - Q4:2017: 26,7%

- **Black African**
  - Q1:2018: 30,1%
  - Q4:2017: 30,0%

- **Coloured**
  - Q1:2018: 22,7%
  - Q4:2017: 23,5%

- **Indian/Asian**
  - Q1:2018: 11,8%
  - Q4:2017: 9,2%

- **White**
  - Q1:2018: 6,9%
  - Q4:2017: 6,7%

Male unemployment rate by Population Group

- **Both sexes**
  - Q1:2018: 25,1%
  - Q4:2017: 24,8%

- **Black African**
  - Q1:2018: 27,9%
  - Q4:2017: 28,0%

- **Coloured**
  - Q1:2018: 24,3%
  - Q4:2017: 23,3%

- **Indian/Asian**
  - Q1:2018: 11,5%
  - Q4:2017: 9,0%

- **White**
  - Q1:2018: 6,8%
  - Q4:2017: 5,1%

Female Unemployment Rate by Population Group

- **Both sexes**
  - Q1:2018: 28,8%
  - Q4:2017: 29,0%

- **Black African**
  - Q1:2018: 32,6%
  - Q4:2017: 32,4%

- **Coloured**
  - Q1:2018: 21,0%
  - Q4:2017: 23,8%

- **Indian/Asian**
  - Q1:2018: 12,5%
  - Q4:2017: 9,6%

- **White**
  - Q1:2018: 7,1%
  - Q4:2017: 8,8%

Black women are the most vulnerable with unemployment rate of over 30%.
Expanded unemployment rate by population group and sex

**Expanded unemployment rate by population group**

- **Both sexes**
  - Q1:2018: 36.7%
  - Q4:2017: 36.3%

- **Black African**
  - Q1:2018: 41.0%
  - Q4:2017: 40.7%

- **Coloured**
  - Q1:2018: 27.5%
  - Q4:2017: 29.1%

- **Indian/Asian**
  - Q1:2018: 18.2%
  - Q4:2017: 14.9%

- **White**
  - Q1:2018: 9.8%
  - Q4:2017: 8.5%

**Male expanded unemployment rate**

- **All**
  - Q1:2018: 33.2%
  - Q4:2017: 32.8%

- **Black African**
  - Q1:2018: 37.0%
  - Q4:2017: 37.0%

- **Coloured**
  - Q1:2018: 28.4%
  - Q4:2017: 28.0%

- **Indian/Asian**
  - Q1:2018: 15.9%
  - Q4:2017: 13.1%

- **White**
  - Q1:2018: 8.8%
  - Q4:2017: 6.1%

**Female Unemployment Rate by Population Group**

- **All**
  - Q1:2018: 40.6%
  - Q4:2017: 40.3%

- **Black African**
  - Q1:2018: 45.4%
  - Q4:2017: 44.8%

- **Coloured**
  - Q1:2018: 26.6%
  - Q4:2017: 30.3%

- **Indian/Asian**
  - Q1:2018: 21.9%
  - Q4:2017: 18.2%

- **White**
  - Q1:2018: 11.0%
  - Q4:2017: 11.6%

Irrespective of sex, Black Africans and Coloured population groups remain vulnerable in the labour market.
Only two provinces (GP and KZN) showed decreases in their unemployment rate between Q4 2017 and Q1 2018.
EC has the highest unemployment rate based on either the official or expanded definition. Limpopo, KZN and NW Provinces all have more than 15% points difference between their expanded and official definitions.

- Eastern Cape: Official 35.6%, Expanded 46.0%
- Free State: Official 32.8%, Expanded 38.4%
- Mpumalanga: Official 32.4%, Expanded 42.5%
- Northern Cape: Official 29.5%, Expanded 41.0%
- Gauteng: Official 28.6%, Expanded 33.6%
- South Africa: Official 26.7%, Expanded 36.7%
- North West: Official 25.8%, Expanded 41.8% (15.9% Point Difference)
- KwaZulu Natal: Official 22.3%, Expanded 40.6% (18.3% Point Difference)
- Limpopo: Official 19.9%, Expanded 37.6% (17.7% Point Difference)
- Western Cape: Official 19.7%, Expanded 22.5%
UNDERSTANDING NON-ECONOMICALLY ACTIVE (NEA)
15.3 million people aged 15 – 64 years were not economically active. A decrease of 154 000 q/q

5 main reasons for NEA

- **Too old/young to work; 9.4%**
  - **Down 0.8 % Point**
- **Illness/disability; 10.2%**
  - **No Change**
- **Home-maker 16.5%**
  - **No Change**
- **Discouraged work seekers 18.2%**
  - **Up 1.8 % Point**
- **Student 40.1%**
  - **Down 0.9 % Point**

**Q4 2017 to Q1 2018 % Change**

**Quarter-on-quarter changes**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>-204</td>
</tr>
<tr>
<td>Homemaker</td>
<td>-149</td>
</tr>
<tr>
<td>Illness/disability</td>
<td>-15</td>
</tr>
<tr>
<td>Too young/too old to work</td>
<td>-16</td>
</tr>
<tr>
<td>Discouraged work seekers</td>
<td>249</td>
</tr>
<tr>
<td>Other</td>
<td>-19</td>
</tr>
</tbody>
</table>

**Change in Figures**
Unemployment rate remained unchanged at 26.7% while absorption rate and labour force participation rate increased by 0.4 and 0.5 of a percentage point respectively.

Largest employment gains were recorded in Community and social services (95 000), Manufacturing (58 000) and Construction (40 000).

Employment losses were observed in Transport (41 000), Mining (14 000), Utilities (6 000) and Agriculture (3 000).

Of the 10.3 million persons aged (15-24 years) 32.4% were not in employment, education or training.
THANK YOU