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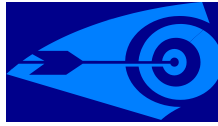
SOUTH AFRICAN EMPLOYMENT DATA SUGGESTS THAT MORE EFFORT IS REQUIRED TO IMPROVE JOB CREATION INITIATIVES, SAYS CHIEF ECONOMIST OF DCG.

JOHANNESBURG, 28th SEPTEMBER 2021 – The Don Consultancy Group (DCG) Chief Economist Mr Chifi Mhango says the Quarterly Employment Statistics (QES) data released today by Statistics South Africa (StatsSA) suggests that more needs to be done by both Government and Private sector for South African employment numbers to improve in a depressed economic environment across key economic sectors.

South Africa's total employment rate as released by Statistics South Africa today, reflects a decrease of 86 000, thus representing a 0.9% decline quarter-on-quarter, from 9 652 000 in March 2021 to 9 566 000 in June 2021. This was mainly attributed to decreases in the community services, manufacturing, construction, electricity and business services.

On a positive note, there were increases in the mining and transport sectors of 2 000 and 1000 jobs respectively, which is marginal. According to StatsSA, total employment increased by 60 000 between June 2020 and June 2021, thus representing 0.6% year-on-year increase. Considering the number of jobs lost in 2020 due to Covid-19 pandemic lockdown restrictions, more needs to be done to recover the jobs lost.

DCG Chief Economist Mr Chifi Mhango said: “job creation is a consolidated effort by both Government and the Private sector. The current employment trends suggest that not enough jobs are being created in high impact sectors of the South African economy such as Construction and Manufacturing sectors. This is worrisome, and clearly demonstrates lack of new business activity.”



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Mr Mhango said that for unemployment levels to ease down from the current high levels of 34.4%, investment driven economic recovery is vital and the recent GDP data for South Africa of an economy growing by 1.2% in the second quarter of 2021, with ratio investment levels to GDP at around 17%, still reflects weakness, if the country has to deal with the challenges of poverty and inequality.

“Although recent manufacturing PMI and industrial production data has suggested some path to economic recovery, it’s not translating to massive job creation for the South African economy, with business and consumer confidence relatively low at index levels of 43 and -10 respectively”, said Mr Mhango.

“The industrialisation of the South African economy should be guided by prioritisation and speedy implementation of Government’s key policy interventions across sectors, as it’s central to job creation initiatives.” concluded Mr Mhango.

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Issued by:

Joyce Masi

Director: Corporate Affairs and Communication

Tel: 083 450 9467

Email: media@doncg.co.za

Web: www.DonConsultancyGroup.com