

Q2 formal-sector jobs fall to 8.944m from 8.945m in Q1

SA's formal sector shed jobs in the second quarter, which is not surprising given the economic contraction over the period. The sector employed an estimated 8.944 million people in the second quarter, down from 8.945 million employees in the first quarter, Statistics SA's latest Quarterly Employment Statistics (QES) survey showed.



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The latest results indicated that 1,000 jobs were lost during the second quarter and that 161,000 people lost their jobs in the formal sector between the second quarter of last year and the second quarter of this year.

Industries wide job loss

Manufacturing lost 7,000 jobs; the transport industry shed 4,000 jobs; business services industry lost 3,000 jobs; while the construction industry shed 2,000 jobs.

A contraction in manufacturing in the second quarter was one of the main reasons for the overall 1.3% decline in gross domestic product over the period. The job losses were offset by jobs created in the trade industry and in community services.

Mining and quarrying, and electricity employment remained unchanged. Gross earnings in the sector, however, increased between the first and second quarters, Stats SA said.

Increases driven by higher wages

Gross earnings paid to employees in the sector during the quarter ended June 2015 amounted to R479.9bn, reflecting a quarterly increase of R3.8bn compared with the first quarter and an annual increase of R327bn compared with the quarter ended June last year. These increases were driven by higher wages in the community, social and personal services industry " an industry closely linked with the public service. Government reached a 7% wage settlement with unions effective from April.

Wage increases in the transport industry; the wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods, hotels and restaurants industry; construction; manufacturing; mining and quarrying; and the electricity, gas and water supply industries also boosted growth in earnings.

Source: BDpro

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