

The Manpower SA 2013 Forecast

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With all hopes on 2013 for the year that the global economy starts making a comeback, some of the damage done by the 2008 downturn will still be felt for years in the employment arena.



European and local debt problems

With predictions that we'll see a resolution to the European debt crisis by the end of 2013 and a recovery of the economy, some countries are hopeful of renewed growth in the new year; however, the current European debt crisis and global economic problems continue to impact heavily on the South African economy. South African consumers are also experiencing high levels of household debt and unsecured debt is causing concerns of a bubble and another financial stumbling block for South Africa.

Political issues

South Africa is having a particularly difficult time in returning to "normal" economic functioning, caused mainly by factors exacerbating the global economic effects, such as perceived political instability by both local and foreign investors. Talk of nationalisation of mines, ongoing strikes, struggles for leadership in the ruling party, as well as land and businesses reform policies, make it difficult for businesses to plan around stable future governance in the fear that things may suddenly change the South African economic landscape. These issues could quite possibly persist until the next national elections when the forward movement of the country may become somewhat clearer.

Business and consumer confidence

The negative sentiment for both businesses and consumers is at some of the lowest levels in years and this is leading to cautious spending for both sides. Many consumers are opting to pay off debt instead of lavish spending and this directly affects business growth and thereby employment. The very low confidence levels that South Africa is currently suffering from mean that we'll probably experience some "drag" on any positive effects that occur in developing nations.

Lowered export expectations

Slow growth prospects in many of South Africa's biggest export partners, such as Europe and China, mean that manufacturing is also suffering as exports decline, impacting on hiring in this sector.

Job-creation policies

According to the 2012 medium-term budget policy statement on 25 October, the 2013 budget for the Department of Labour will include additional allocations for the department's public employment services and Council for Conciliation, Mediation and Arbitration (CCMA) to amend labour legislation. Employment opportunities will be improved through specialist programmes. Over R4 billion will be spent on incentive grants for provincial departments and municipalities while further

funds will be invested in non-state NGOs to support job creation.

Private sector job creation

In spite of private sector jobs increasing by 87 000 and public sector by 38 000 in the last 12 months, the growth in new jobs has slowed. The government aims to create 780 000 new positions in the next three years. Supporting the private sector will be crucial to job growth, as it accounts for over 70% of economic activity and jobs.

New BEE regulations

Forthcoming changes to BEE regulations are also impacting on business as many wait to see what the new regulations will entail, with expectations of major changes in procedures and regulations, which will become even stricter. For many, these are increasingly being seen as a vehicle that is restricting businesses more than providing fair employment opportunities.

Manpower Employment Outlook Survey

The Manpower Employment Outlook Survey, which is conducted by interviewing a representative sample of 750 employers in South Africa, forecast very low employment plans for most regions and sectors for Q1 2013. However, with the results of the holiday season's impact on the economy and conclusion of Mangaung, we may see a more positive outlook for Q2 employment figures.

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