

Manufacturing 'could lead job recovery'

The manufacturing sector is one of the sectors that could lead employment recovery in percentage terms next year, SA Chamber of Commerce and Industry (Sacci) CEO Neren Rau said Tuesday.

The manufacturing sector was among the sectors that experienced the most job losses during the recession.

"Manufacturing suffered substantially in the crisis. Within manufacturing, one looks at motor manufacturing in particular being the key component in employment recovery," Rau said.

Official figures show that manufacturing employment declined by 4.9% or 74 000 jobs between the first and second quarters of 2010.

Employment is not expected to recover to pre-crisis levels soon. Some improvement is however expected next year amid slightly higher economic growth forecast for 2011.

The employment sub-index on SACCI's forward-looking Trade Expectations Survey (TEI) remained unchanged at 51 in August from 51 in July.

Although it has failed to post serious gains, which could indicate that employers are positive about employment six months ahead, encouraging is that at above 50 the sub-index remains in positive territory.

"Expectations for employment recovery are somewhat low," Rau noted.

He added that sectors such as mining and the financial services could contribute to employment.

"Mining is also instrumental. I however don't believe it will in the immediate term drive employment," Rau concluded.