

# Unemployment falls to 23.9%

South Africa's unemployment rate fell to 23.9% in the fourth quarter of 2011, Statistics South Africa (Stats SA) said on Tuesday.



(Image: Marcello Casal Jr/ABr, via Wikimedia Commons)

Releasing the Quarterly Labour Force Survey for the fourth quarter, Stats SA said the unemployment rate was down by 1.1% to 23.9% down from the third quarter's 25%.

There were 13.5 million people employed in the fourth quarter. Compared to the fourth quarter in 2010, employment increased by 365 000 in the fourth quarter of 2011.

"Comparing the same period of 2010 and 2009, this is the first growth observed on a year-on-year basis in quarter four since 2009," Stats SA's deputy director general for Population and Social Statistics, Kefiloe Masiteng, said.

Year-on-year, 453 000 more people were employed in the formal sector in the fourth quarter, making it the highest year-on-year growth seen the formal sector since the end of the recession in 2009.

The formal sector job gains were driven by finance and other business services, trade and community and social services.

Masiteng said the growth in employment was good, adding that "we hope it can be maintained".

## Formal sector grows, but...

While there was growth in the formal sector, the informal sector lost 91 000 jobs year-on-year. In the third quarter, it also recorded a decline. It had shown five successive quarters of year-on-year growth before.

"This is the first time that the informal sector shed jobs in the fourth quarter year-on-year," noted Stats SA.

On a quarter-on-quarter basis, the Western Cape, Gauteng and KwaZulu-Natal had the most job gains.

Unemployment was highest among the youth - 15 to 34 years - with the unemployment rate for women continuing to be higher than the national average. Those who did not have Matric certificates made up the majority of the unemployed.

Although there was a decline in unemployment in the fourth quarter, 4.2 million people remain unemployed with 2.9 million having been looking for work for over a year or longer.

In their commentary, Nedbank economists said although the decline in unemployment was encouraging, challenging economic conditions locally and globally were expected to persist in 2012.

"This could weigh on business confidence and discourage organisations from expanding production capacity. This would restrict the pace of job creation."

Standard Bank, meanwhile, said economic conditions suggested that labour markets may remain weak: "Based on our current forecasts, the prospects in the jobs market are not encouraging, with the unemployment rate likely to follow a slightly declining trend."

Masiteng said they did see "a glimpse of hope in the first quarter".

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