

# Quarterly Labour Force Survey

ECONOMICS | SOUTH AFRICA



## The unemployment rate rose partly as more job seekers returned to the job market.

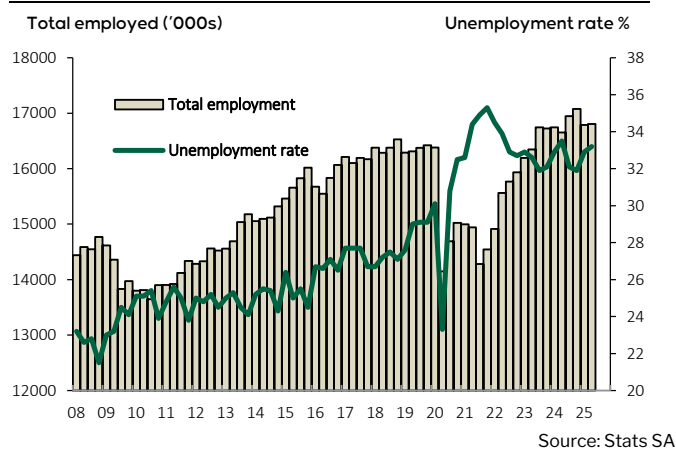
- The **unemployment rate** increased to 33.2% in Q2 from 32.9% in Q1, with the number of the unemployed rising by a sharp 140 000 over the quarter. The number of discouraged work seekers declined by more than 28 000, raising the number of those actively looking for jobs.
- The number of employed increased by about 19 000 or 0.1%, with the formal sector creating 34 000 jobs, while the informal sector lost 19 000 jobs. Job creation remained low as companies sit on excess capacity due to weak demand. Also, companies are probably sceptical about expanding operations given the uncertainties surrounding US trade policies towards South Africa.

**Table 1: Key labour market statistics**

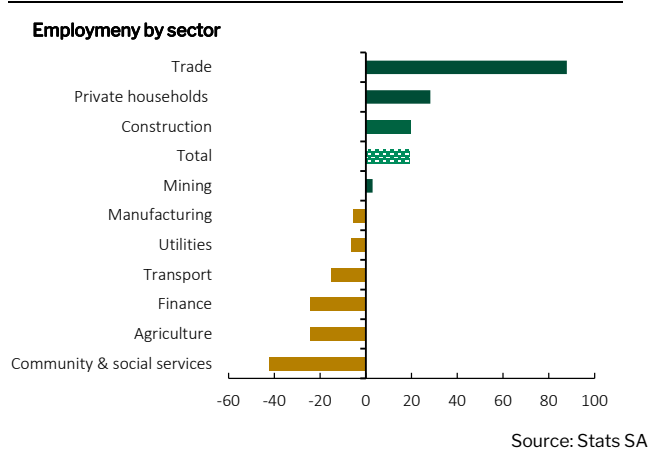
Employment (millions)	2023			2024				2025		qoq change	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	qoq ('000)	yoy%
Labour force (15-64 yrs)	24.27	24.59	24.62	24.97	25.04	24.96	25.07	25.01	25.17	158.99	0.6
Employed	16.35	16.74	16.72	16.74	16.65	16.95	17.08	16.79	16.81	19.24	0.9
Formal sector (Non-agricultural)	11.33	11.62	11.49	11.54	11.47	11.59	11.68	11.43	11.47	34.44	0.0
Informal sector (Non-agricultural)	3.03	3.06	3.18	3.08	3.13	3.29	3.33	3.35	3.33	-18.97	6.3
Unemployed	7.92	7.85	7.90	8.23	8.38	8.01	7.99	8.23	8.37	139.75	-0.2
Discouraged work-seekers	3.18	3.16	3.05	3.05	3.19	3.35	3.47	3.47	3.44	-28.16	7.8
<i>Unemployment rate (%)</i>	<i>32.6</i>	<i>31.9</i>	<i>32.1</i>	<i>32.9</i>	<i>33.5</i>	<i>32.1</i>	<i>31.9</i>	<i>32.9</i>	<i>33.2</i>		
<i>Labour force participation rate (LF/Pop)</i>	<i>59.6</i>	<i>60.2</i>	<i>60.0</i>	<i>60.7</i>	<i>60.6</i>	<i>60.2</i>	<i>60.3</i>	<i>60.0</i>	<i>60.2</i>		

Source: Stats SA

**Chart 1: Total employment and the unemployment rate.**



**Chart 2: Sector breakdown of employment gains/losses**



- The **sectoral breakdown** showed that employment declined in six of the ten sectors. The highest number of jobs was lost in community and social services (-42 000), followed by agriculture and finance, which dropped by 24 000 jobs each, while transport shed 15 000 jobs. Meanwhile, trade accounted for the biggest employment gains in Q2, rising by 88 000 followed by private households (28 000) and construction (20 000).
- On a year-on-year basis, total employment rose by 0.9%. Most jobs were created in utilities and transport, which outweighed job losses in mining, private households and trade.

- The outlook for the labour market remains uncertain. The easing logistical constraints, more stable power supply, and improving consumer spending will somewhat support employment. However, employment growth will be partly offset by the anticipated deterioration in global trade conditions due to the US tariff policies. The US imposed a 30% reciprocal tariff on South African exports, effective 7 August. The government is still trying to negotiate a better rate, but either way, tariffs are set to stay, and some export-oriented industries will feel the pain. The agricultural and automotive sectors will be most affected. Within agriculture, the citrus exporters will be the most hit. This will undermine the benefit from favourable weather conditions, which are expected to support crops and underpin higher activity in the next harvest season. The steel and aluminium sectors will also be impacted as they form part of the components supply chain. Employment by general government will continue to be undermined by fiscal constraints. Overall, we forecast economic growth to remain subdued this year, averaging 1% before increasing slightly to 1.6% over the next three years. With this muted growth, it will be difficult to reduce the unemployment rate significantly in the short term, given the fast-growing labour force.

**Table 2: Breakdown of employment**

Employment (million)	2023			2024				2025		qoq change	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	qoq ('000)	yoy%
Total	16.35	16.74	16.72	16.74	16.65	16.95	17.08	16.79	16.81	19	0.9
Agriculture	0.89	0.96	0.92	0.94	0.90	0.93	0.92	0.93	0.91	-24	1.1
Mining	0.44	0.41	0.45	0.45	0.46	0.48	0.47	0.43	0.43	3	-5.1
Manufacturing	1.56	1.51	1.51	1.61	1.65	1.63	1.68	1.68	1.67	-5	1.0
Utilities	0.13	0.11	0.12	0.11	0.11	0.13	0.11	0.15	0.14	-6	22.0
Construction	1.30	1.36	1.32	1.22	1.20	1.38	1.36	1.24	1.26	20	4.6
Trade	3.36	3.39	3.36	3.47	3.36	3.47	3.42	3.23	3.32	88	-1.3
Transport	0.99	0.97	1.02	1.06	1.06	1.05	1.06	1.13	1.12	-15	4.8
Finance	2.60	2.84	2.96	2.91	2.90	2.72	2.95	3.01	2.98	-24	2.7
Community & social services	3.97	4.08	3.91	3.79	3.83	4.02	3.96	3.91	3.87	-42	1.2
Private households	1.09	1.12	1.13	1.18	1.16	1.13	1.15	1.08	1.11	28	-4.7

Source: Stats SA

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