



The cycle is back.

The 8th SOUTH AFRICAN EMPLOYMENT REPORT

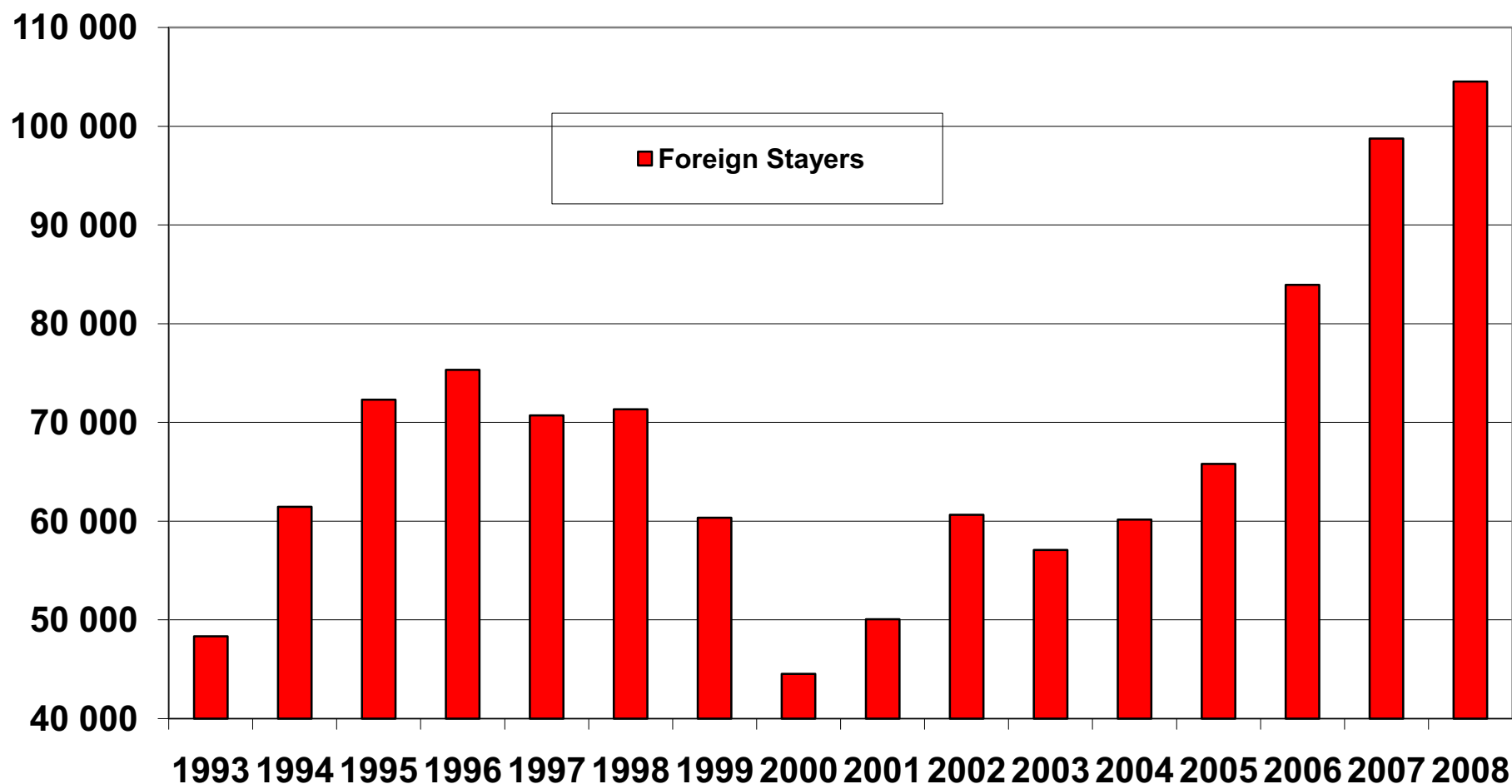
Program

- Updates from previous SA Employment Reports.
- The World in Crisis.
- SA new Labour Data.
- What could happen over the next year or so.
 - Numbers.
 - Where it hits.
- Questions.

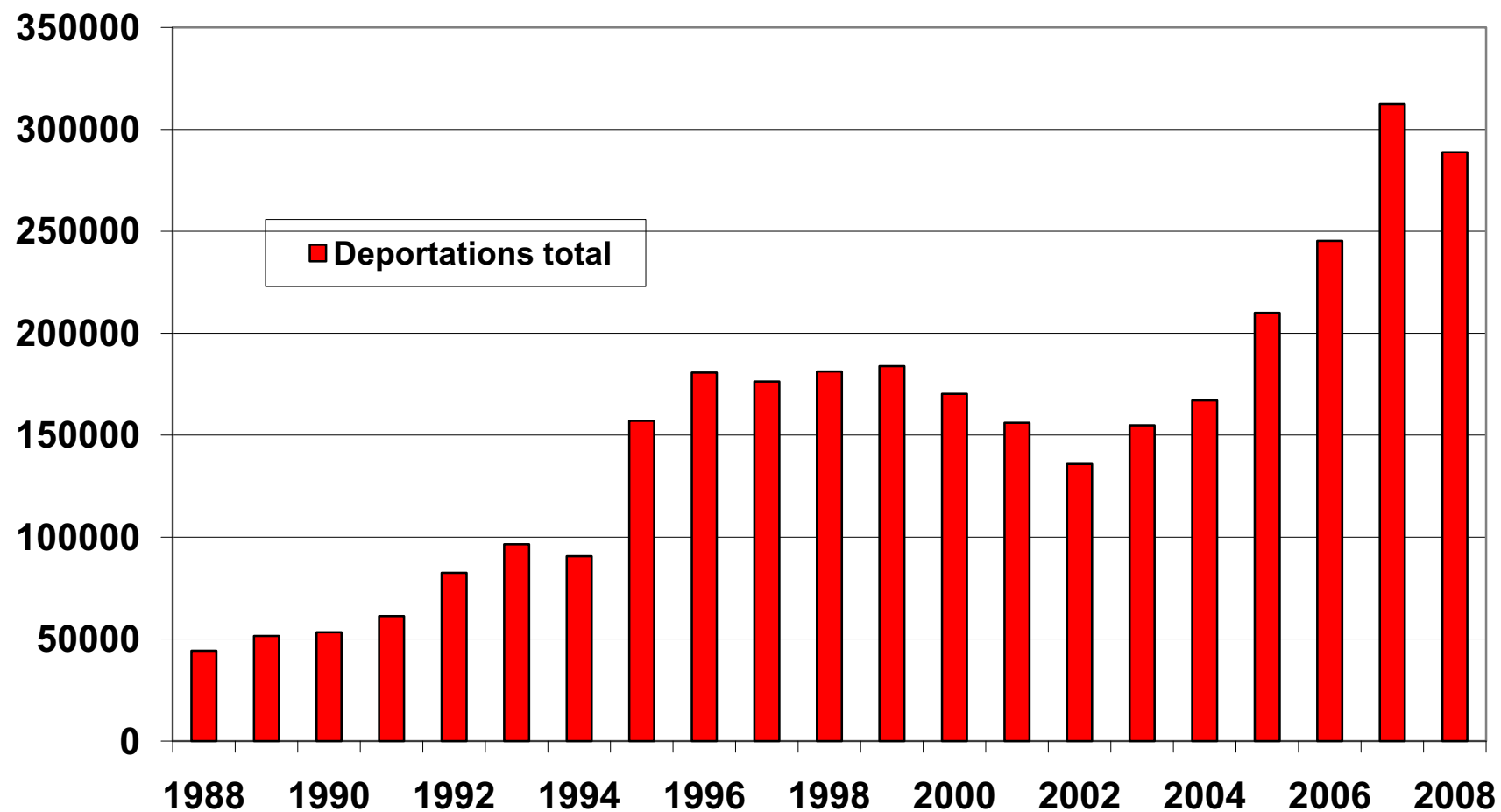


Some Updates from previous reports.

Foreign stayers per month. Difference between foreign arrivals and departures.



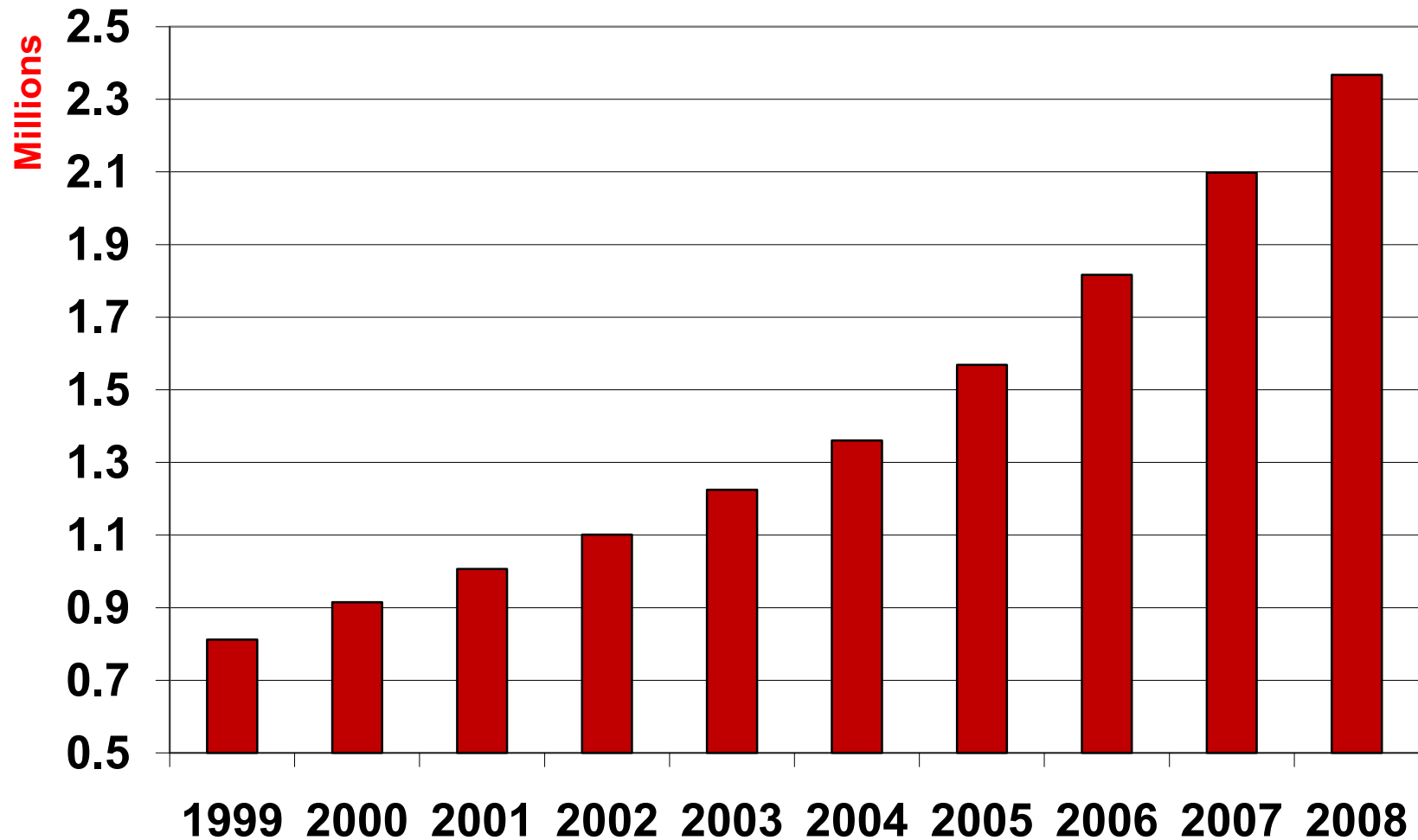
Deportations from SA.



Foreigners and SA population.

- Total number of foreign arrivals not recorded as leaving since 1990 is now over 13 million.
- Total deportations since 1988 is now over 3.2 million people.
- SA own population is growing at only 33 334 per month for 2008.
 - Foreign arrivals not recorded as leaving is 104 516 or more than three times our own population.
 - We deport 24 070 people a month.

Growth in company and CC registrations



Self Employment still growing

- More than 1 out of every 6 people was self employed.
- Growth in CC's averaged 17,1% - a good indicator of self employment.
- On average they earn about 15% more than the employed.
- However, we think that the current crisis is growing in this sector.

Updating big and small numbers.

- Last year big companies increased salaries on average with 16% over 2007.
- Big employers added 1,1% more employees.
- We believe that small companies now employ 55% of the workforce up from 52% in 2005 when we first did the investigation into big and small businesses.
- Government probably showing fastest employment growth but this unsustainable.

How big is the SA labour market?

- In our third report we said that SA labour force bigger than StatsSA SEE and QES numbers.
 - StatsSA has now adjusted their data of QES as well as LFS. (more later)
 - But other data show that we may also have been very conservative.
 - NCR data show 17,6 million with credit records!
 - Cell phone data shows that adding employment plus wealth fare plus private pensions plus kids would leave millions of extra cell phones paid for.
 - We now have more cell phones than people



The Global economic crisis and it's effects on the world's employed.

The World at work. – (74 countries)

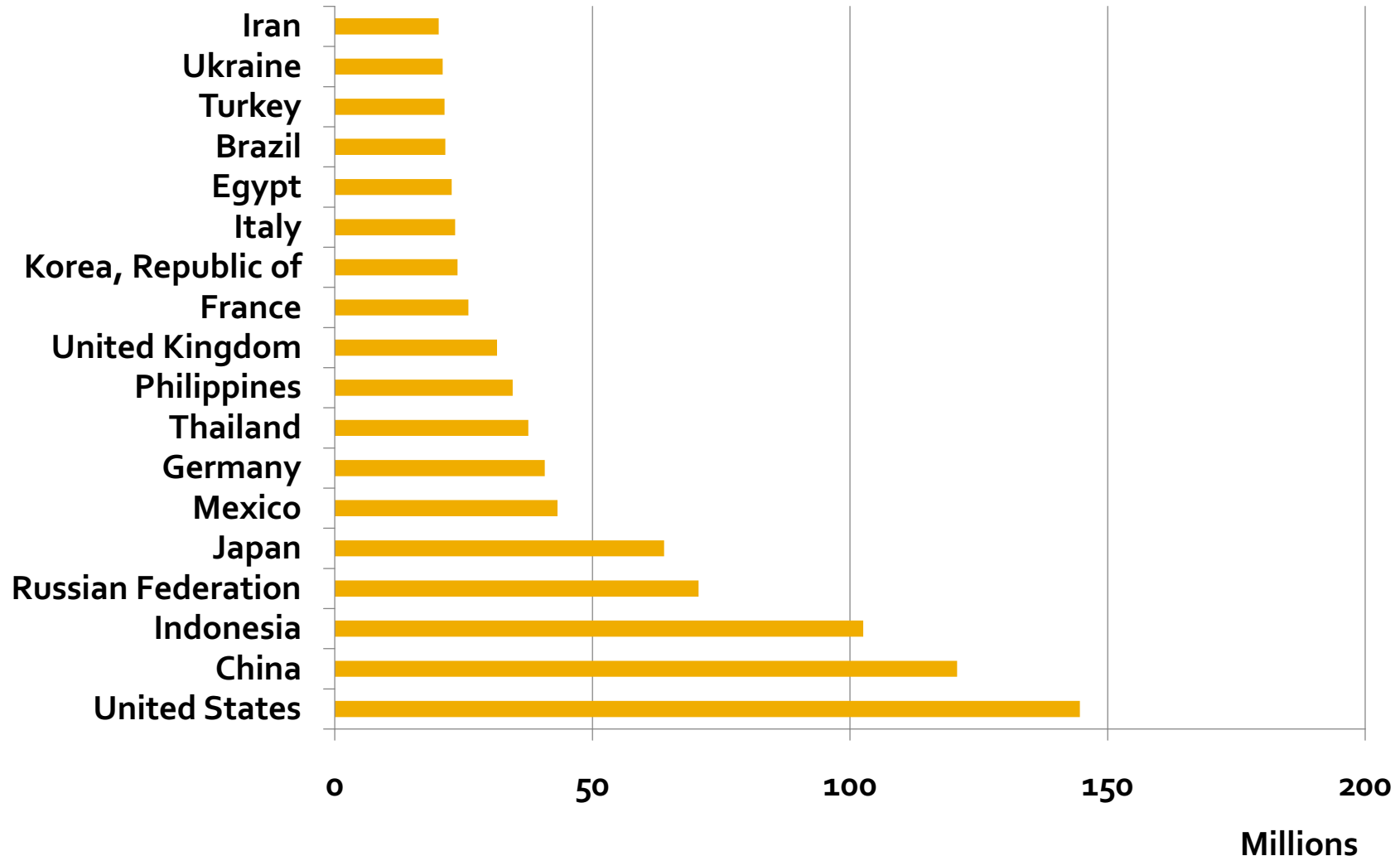
- There were 1,119 million people in employment in the world around November last year.
 - Includes all major economies (except India) which represent 90% of World GDP that the ILO tracks.
 - The ILO expects that 50 million jobs will go in these countries or around 4,5% of this world workforce.
 - India has 117 million employed in industry and services but problem with child labour, millions more in subsistence agriculture.

World Unemployment – (ex China and India)



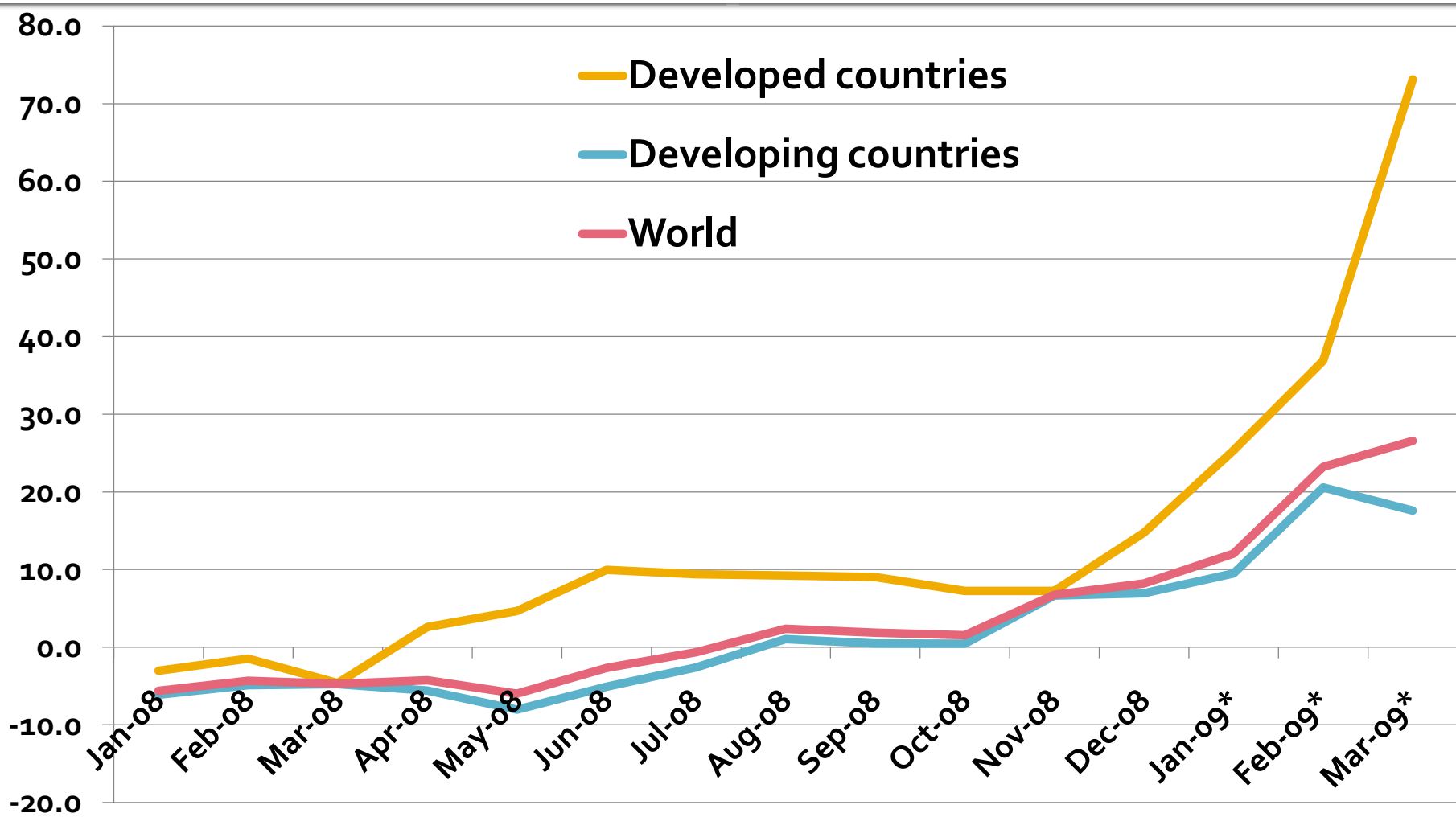
- The number of unemployed in the world around November last year was 74 million or around 7,4%.
- If the ILO prediction of a further 50 million unemployed the world rate of unemployment would be about 12,5%.
- However so of the 50 million would come from China so it would be around 11%.

The big work forces are found in these countries.





% change in the number of unemployed in the World and it's regions.



Employment losses and gains % change on year ago.

■ Spain	-6.8	■ Israel	1.4
■ Slovakia	-5.6	■ Germany	1.7
■ Latvia	-4.6	■ South Africa	1.8
■ Ireland	-4.5	■ Denmark	1.9
■ United States	-3.3	■ Netherlands	1.9
■ Luxembourg	-2.7	■ Hong Kong	2.1
■ Sweden	-1.8	■ Serbia	2.4
■ Mexico	-1.7	■ Moldova	2.9
■ Taiwan	-1.7	■ Poland	3.0
■ Canada	-1.6	■ Indonesia	3.5



South Africa and the crisis.

How SA fits into the Labour world.

- SA has 1,2% of the number employed in the world.
- However South Africa has 5,3% of the number of unemployed.
 - On the latest data from the ILO database we have 3.8 million of the 74 million unemployed.
- SA has the third highest unemployment rate of the 73 countries measured.
 - Only the West Bank & Gaza as well as Macedonia.

Before we make a forecast. Let look at some changes in our LFS – from 2000 onwards



- New Revisions have added 6% more employed people to every September data point when compared to original number.
- The New revisions LFS takes away 0,7% away from the working age population.
- The new revisions take a massive 10,8% away from the original unemployment numbers.
 - What the heck happened to the original statement of 95% confidence?

How the new revised unemployment rate looks like



- New average unemployment rate down to 23,7% from 27,5% on the original figures published.
 - This dropped in the unemployment rate was caused by higher employment numbers.

Would this and the review of the QES mean that the GDP numbers would also have to adjusted dramatically. i.e. 5% or more?

What this means in numbers

	Average difference
Employed	692 803
Unemployed	-480 080
NOT Economically Active	-404 650
Population	-191 926

**THIS CHANGES A LOT
OF THINGS.**



After the new number this is how things look.

SA labour Force Survey changes and forecast in numbers

Current situation.

- We have nearly 14 million people employed but also nearly 4 million people unemployed.
 - The latest unemployment rate is 21,2%.
- But using the September data as that was we have history and an unemployment rate just over 23% - we find the following changes over the last eight years.

Average annual change in the numbers from 2000 to 2008



Category	Number Growth
Population	474 125
Labour force	212 375
Not Economically Active	261 750
Employed	164 875
Unemployed	47 500

What the number mean in simple terms.

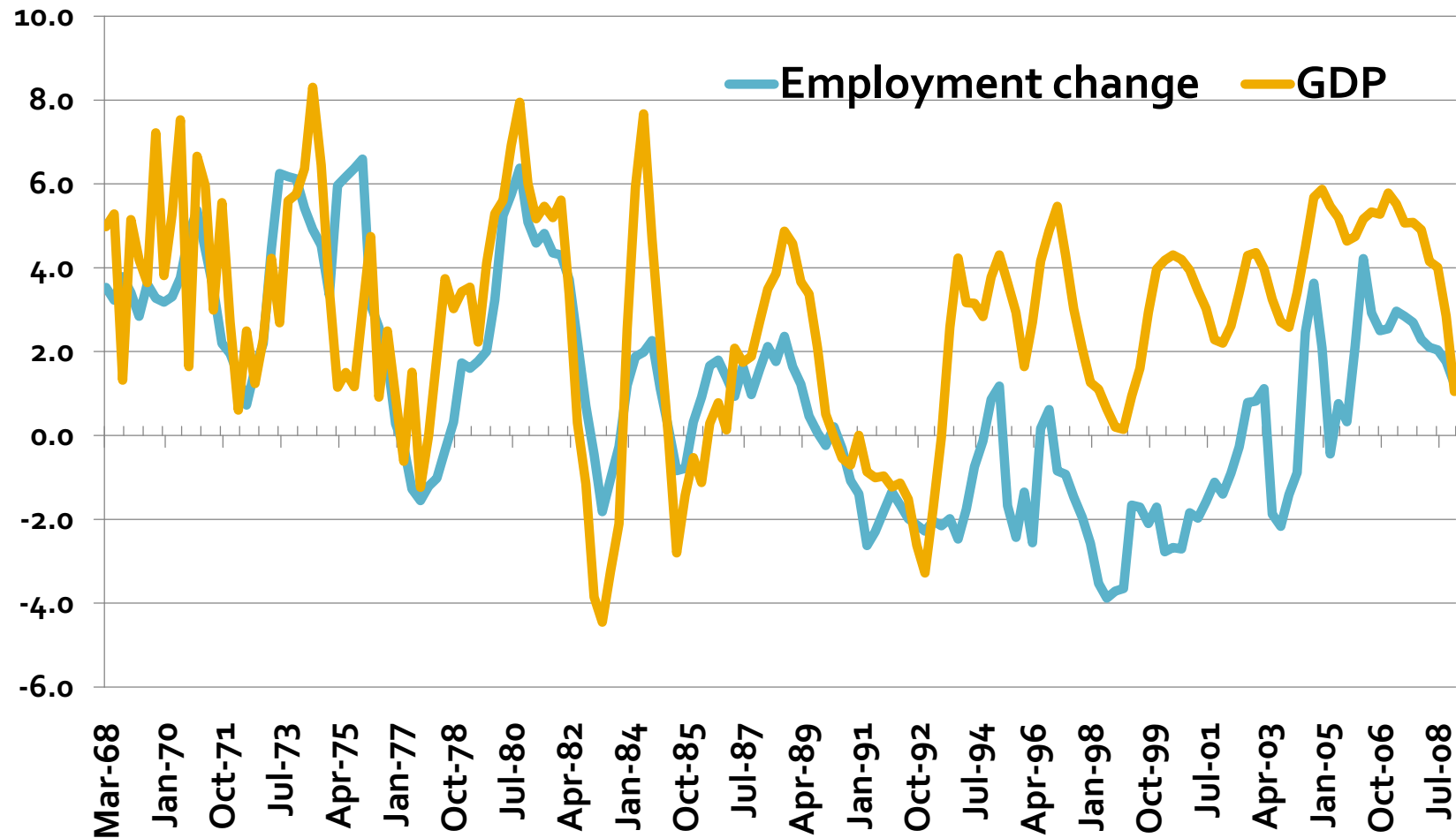


- Out of every net new person of working age
- 10% become unemployed.
- 35% are employed.
- 55% never enter the labour force and prefer to not become involved.
- That a rather high number of people who will have to rely on someone else for an income.



**Now for two forecasts of what the
Economic crisis could do to us.**

GDP growth and employment growth.



OUR employment forecasts.

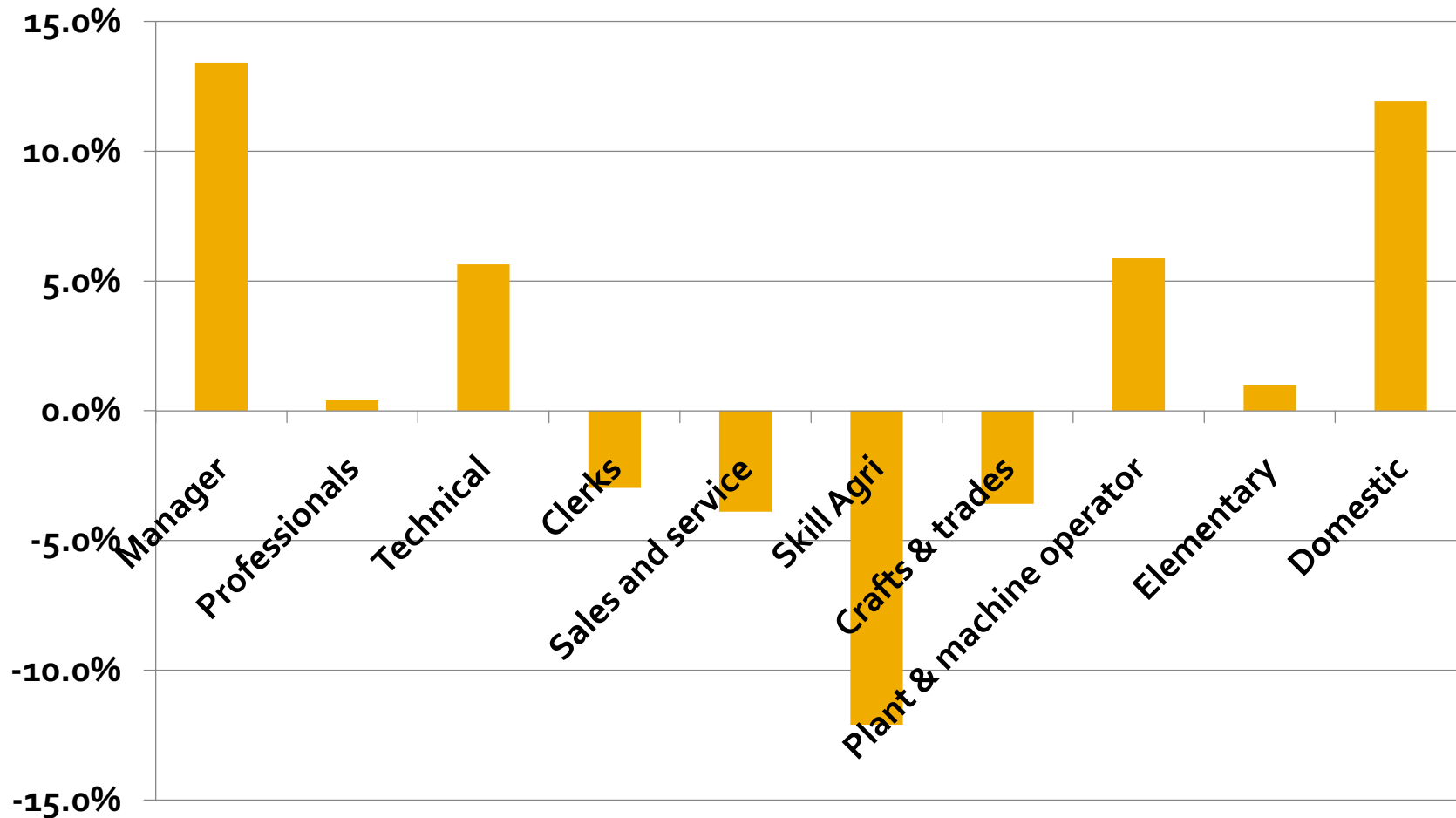
- Employment typically follows both GDP and Fixed Investment data and we forecast a GDP decline of 1,3%.
 - At that rate one would expect to see a 1,5% and 2,2% decline in employment based on past performance = 207 000 to 304 000 job losses.
 - This is lower than global estimates of around a 4,5% loss in employment.
 - IF SA equals 4,5% loss, then we lose 625 000 jobs

How the economic crisis could affect the numbers.



IF we lose	200 000	300 000
Employed	13 455 000	13 355 000
Unemployed	4 534 375	4 634 375
NOT Economically Active	13 285 750	13 285 750
Labour force	17 989 375	17 989 375
Tot POP	31 275 125	31 275 125
Unemployment rate	25.2%	25.8%

Where the changes have come from in 2008.

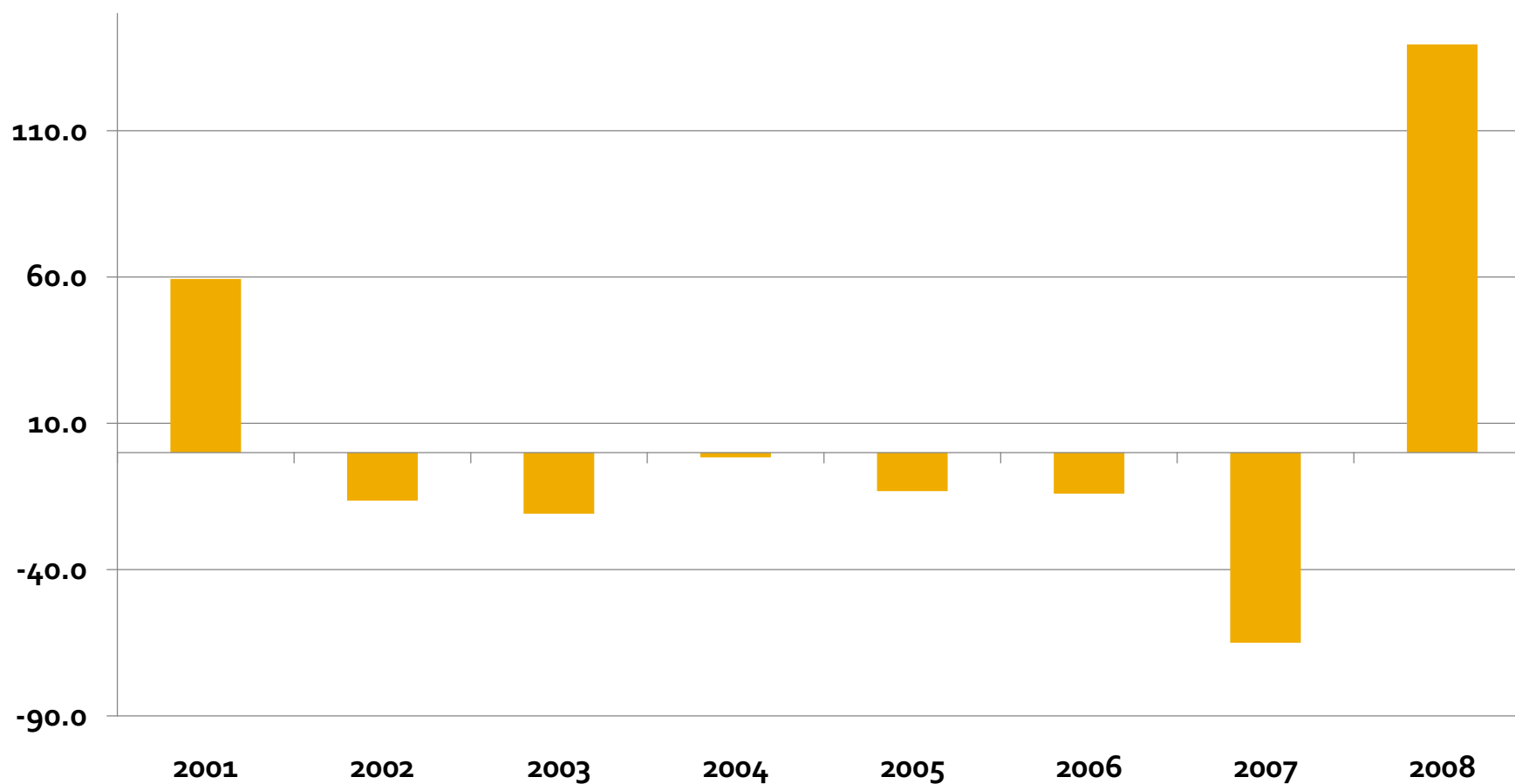


Where the crisis will hit.

- We believe it will hit across the board but technical and management may not feel the same effect as most categories.
- Elementary workers will be hardest hit.
- Manufacturing, Durable sales, Mining and Construction will feel the worst effects of the crisis.

CC liquidations

CC Liquidations YoY %



The effect on small and medium companies.



- Small companies are being hit hard with 140% increase in Liquidations last year.
- We believe that this is just the start and does not show companies that just close their doors.
 - The number of restaurants that closed last year was 1 400
 - The number of jobs lost in Motor industry outside of manufacturing (i.e. Sales and Workshop) was 37 000.



Questions and Thank You.