

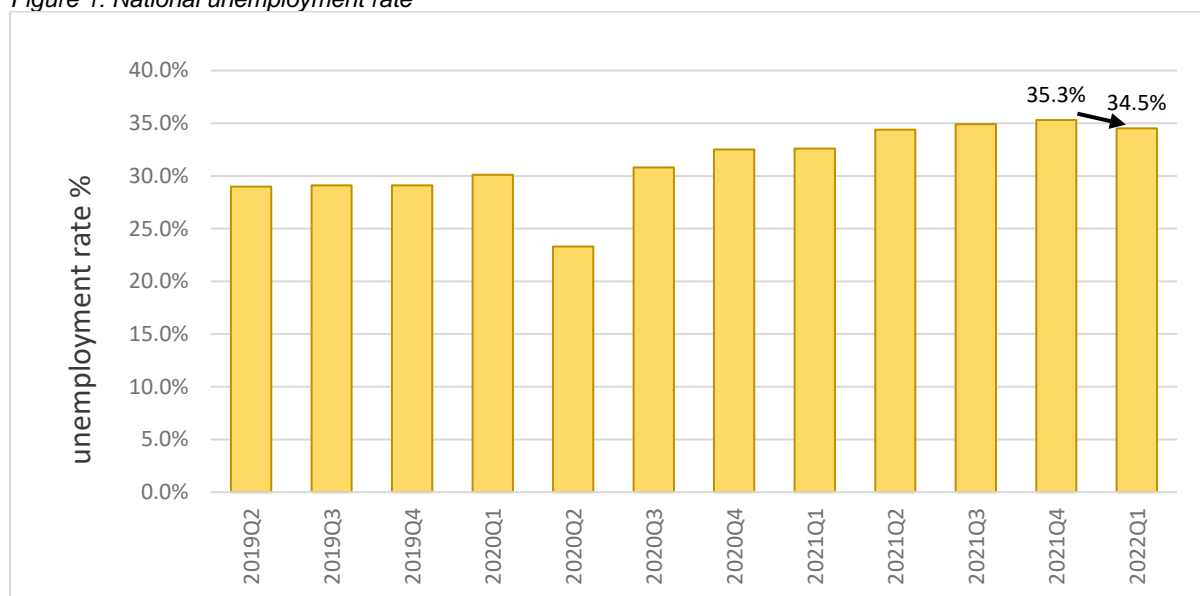


DURBAN'S UNEMPLOYMENT RATE INCREASES, AGAIN

1. A DROP IN THE NATIONAL UNEMPLOYMENT RATE

According to StatsSA's 2022Q1 QLFS publication, the national unemployment rate declined after seven quarters of consecutive increases. The rate decreased by 0,8 of a percentage point from 35,3% in the fourth quarter of 2021 to 34,5% in the first quarter of 2022. This decrease is a result of the adjustment in unemployed and employed persons. The number of employed persons increased by 370 000 to 14,9 million, with the community and social services sector recording the highest increase (281 000), followed by manufacturing (263 000) and trade (98 000). The number of unemployed persons decreased by 60 000 to 7,9 million.

Figure 1: National unemployment rate



Source: StatsSA, QLFS, 2022Q1

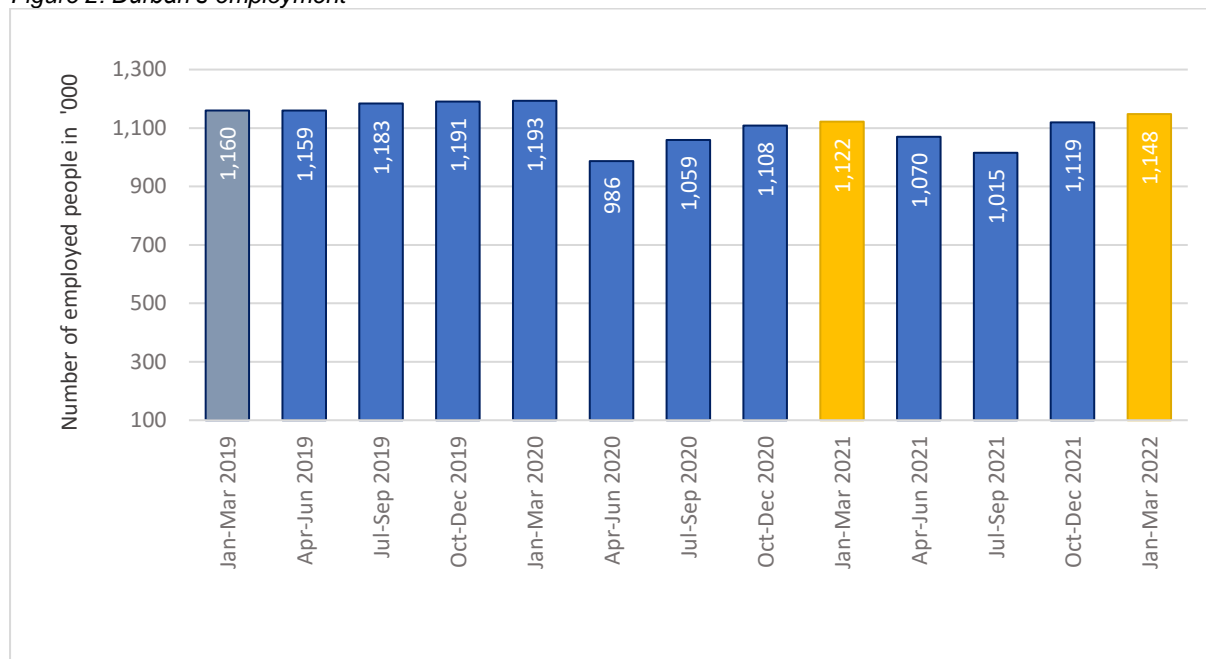
2. DURBAN: A RISE IN UNEMPLOYMENT, BUT SLIGHT RECOVERY IN EMPLOYMENT

Durban's unemployment rate increased to 28,4% in 2022Q1 following an increase to 28,0% in the previous quarter. Despite the sluggish economic recovery, higher costs of living, and rise in unemployment rate; the first quarter of 2022 saw a slight recovery in job creation. The number of employed persons increased by 2%; suggesting that 26 000 more people were employed in the first quarter of 2022 when compared with the same quarter



last year. The sectors which created jobs at the national level are also Durban's top employers; community and social services, manufacturing, and trade.

Figure 2: Durban's employment



Source: StatsSA, QLFS, 2022Q1

3. FLOODING IMPACT ON JOBS

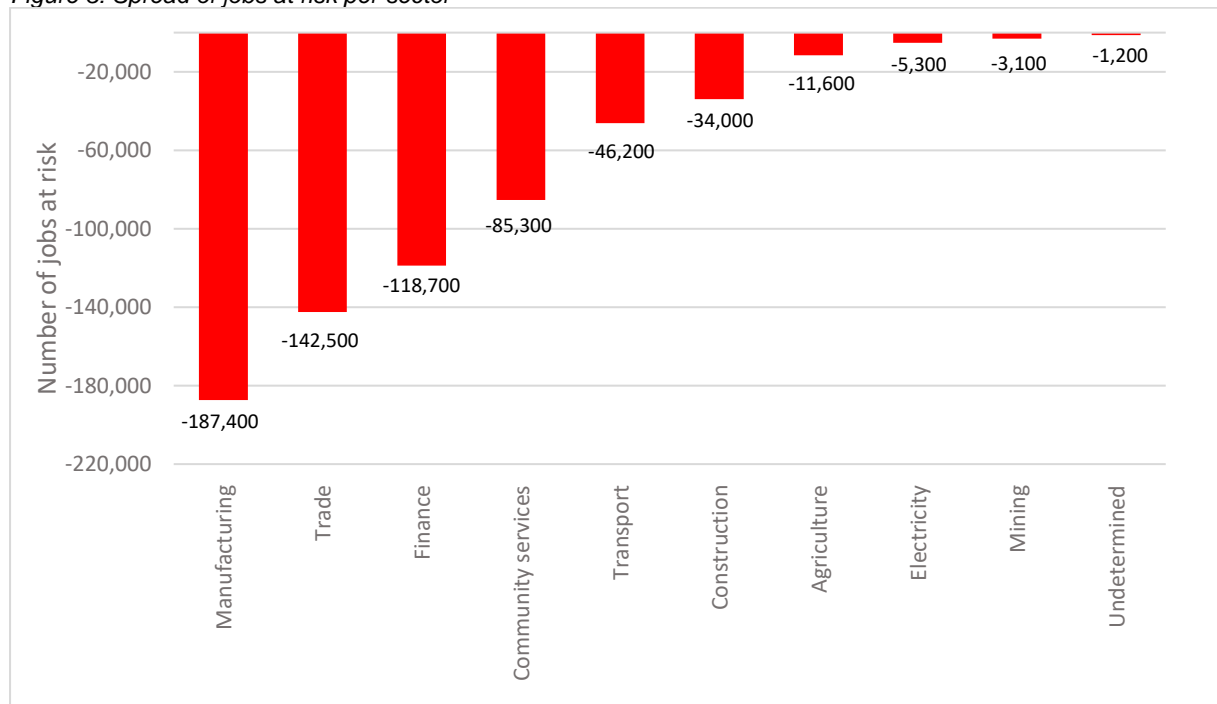
While StatsSA reported an increased number of employed persons, the City's April 2022 flooding dampened the recovery of its labour market. The City's Economic Development Unit conducted an Economic Activity and Outlook Information Survey in April following the days of the flooding. The survey was conducted on businesses based in Durban.

The research showed that more than 1 150 formal businesses were impacted, 635 000 formal full-time equivalent jobs at risk and almost (8 000 – 12 000) jobs were estimated to have been lost. The majority of jobs at risk were in the manufacturing sector (187 000), which is the largest contributor to City revenue. The trade sector had the second-largest jobs at risk (142 000), and this remains a concern as this sector is the largest employer in the City.

Most impacted businesses were not insured for flooding, while 41% of businesses impacted were unable to open in the 1st month following the flooding. Most of these businesses had to rely on government support measures for rebuilding, reconstructing, and recovering from damages and losses.



Figure 3: Spread of jobs at risk per sector



Source: EThekweni EAOS, 2022
National Treasury/ SARS Tax data, 2021

4. CONCLUSION

Despite the improvement in employment, unemployment continues to increase and therefore a major catch-up is still required. The flooding that occurred in Durban had a significant impact on the sectors driving its employment creation meaning that employment, despite its growth, was not enough to create sufficient opportunities for entrants into the labour market. Figures reflecting the impact on the job market will be published in the next QLFS publication.

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