

Unemployment Data 'Closer To Fiction'

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Unemployment data released by Statistics SA on Monday is "closer to fiction than reality," T-SEC economist Mike Schussler said.

Earlier Statistics SA released its Quarterly Labour Force survey for the fourth quarter which showed that employment increased by 1.4 percent and unemployment declined by six percent.

This had the combined effect of causing a 1.3 percentage points decline in the unemployment rate.

The jobless rate was down to 21.9 percent of the labour force in the fourth quarter of 2008, from 23.2 percent in the third quarter, the Pretoria-based agency said.

"I would have expected to have seen an increase in the jobless rate for the quarter," said Schussler.

"Unemployment declining by six percent in one quarter, that's big, and we had negative growth in the fourth quarter too."

He added that this could not be a true reflection of what was happening.

"Just look at the construction sector -- the survey says it grew 8.1 percent quarter-on-quarter.

"While the construction sector was positive in the fourth quarter -- it doesn't seem like it grew 8.1 percent as residential construction was down and only commercial construction was up."

Schussler added that commercial construction was more machine intensive than labour intensive.

He said the survey's findings that 250,000 fewer people were unemployed quarter-on-quarter would be a "very big figure" under normal circumstances, so it was even more surprising given the present state of the economy.

Source : Sapa /jr/th

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