Labour market developments in South Africa and the City of Johannesburg in the third quarter of 2026

1 Overview

South Africa's official unemployment rate increased marginally from 33.6% in the second quarter of 2026 to 33.7% in the third quarter. According to Statistics South Africa (2026), employment increased during this period, but the expansion of the labour force exceeded the number of additional people employed. This indicates that the economy continued to experience difficulties in absorbing people seeking employment. In Johannesburg, the official unemployment rate declined during the quarter, although the number of unemployed residents remained high. The findings therefore point to an improvement in the city's quarterly performance alongside continued pressure to create sufficient employment opportunities.

2 National and Johannesburg unemployment trends

Indicator	Q1 2026	Q2 2026	Q3 2026
National official unemployment rate	—	33.6%	33.7%
Johannesburg official unemployment rate	34.7%	35.9%	34.9%
National unemployment and potential labour force rate	—	43.8%	44.0%
Johannesburg unemployment and potential labour force rate	39.8%	40.1%	38.2%

Source: Statistics South Africa (2026), Tables A and 2.3. A dash indicates a figure not included in this comparison. The official rate is LU1; the combined unemployment and potential labour force rate is LU3.

Johannesburg's official unemployment rate increased from 34.7% in the first quarter to 35.9% in the second quarter, before declining by 1.0 percentage point to 34.9% in the third quarter. However, it remained above the national rate of 33.7%. The city's broader LU3 rate of 38.2% was 5.8 percentage points below the national rate of 44.0%, indicating a smaller additional burden of potential labour force underutilisation relative to the national position.

3 National labour supply and employment growth

National employment increased by 101,000, from 16.739 million to 16.840 million, between the second and third quarters. Over the same period, the labour force expanded by 198,000, from 25.220 million to 25.418 million. Consequently, the number of unemployed people increased by 97,000. These changes explain the marginal increase in the official unemployment rate. They show that employment growth was insufficient to absorb the increase in the labour force, although they do not, on their own, establish a structural mismatch between the skills of work-seekers and employers' requirements.

The number of people outside the labour force declined by 82,000 during the quarter. This is consistent with increased labour market participation, but it should not be interpreted as a direct count of people returning to active job searches, as these are net changes between population categories. Furthermore, discouraged work-seekers increased by 70,000 to approximately 3.7 million. The national LU3 rate consequently increased from 43.8% to 44.0%, demonstrating that the need for employment extended beyond those classified as officially unemployed.

4 Sectoral employment developments

Employment growth differed across sectors. Formal sector employment increased by 268,000 during the quarter, while employment in the informal and household sectors declined by 98,000 and 68,000 respectively. At industry level, finance recorded a quarterly increase of 111,000, followed by manufacturing with 33,000 and mining with 31,000. These improvements were partly offset by declines elsewhere in the economy. The overall employment increase therefore concealed difficulties in sectors that provide livelihoods to many households.

The annual comparison presents a weaker position. South Africa recorded a net employment decline of 215,000, equivalent to 1.3%, between the third quarters of 2025 and 2026. Community and social services accounted for approximately 197,000 fewer jobs over this period, despite recording a quarterly increase. Mining and transport recorded annual gains of 32,000 and 11,000 respectively. These annual changes must be distinguished from quarterly movements. The decline in community and social services also cannot be

attributed entirely to public sector retrenchments without a further breakdown of employment within the industry.

5 Johannesburg employment and labour force participation

Johannesburg recorded an annual employment increase of 38,000, or 1.9%, while Tshwane and Ekurhuleni recorded declines of 85,000 and 26,000 respectively. This demonstrates Johannesburg's comparatively stronger employment performance within Gauteng's metropolitan economy. However, this comparison alone does not establish that the city was the leading job creator nationally or that all additional employment was formal. The improvement should therefore be recognised alongside the continued scale of unemployment in the city.

Johannesburg's labour force participation rate stood at 71.3% in the third quarter. This indicates that a substantial proportion of its working-age population was either employed or actively participating in the labour market. Nevertheless, the number of unemployed residents increased by 35,000, or 3.3%, compared with the same quarter in 2025. Employment gains therefore occurred alongside a growing number of people seeking work. Inward migration may contribute to this pressure, but the participation rate and employment totals do not independently establish its contribution. Demographic changes and movements between inactivity and active participation also need consideration.

The city's lower LU3 rate suggests a stronger attachment to the labour market than the national comparison. Access to commercial activity and income-generating opportunities may help sustain work-seeking, although this explanation requires further evidence. A lower broader unemployment measure should therefore be interpreted as a relative advantage rather than proof that discouragement or exclusion has been resolved.

6 Strategic implications for the City of Johannesburg

Johannesburg's high participation rate provides an opportunity to connect a large active labour force with employment and enterprise support. The City should strengthen links between employers, skills development institutions and its Opportunity Centres to improve access to vacancies, work experience and business development services. However, participation alone does not demonstrate that available skills match employers' needs.

Support should therefore respond to identified occupational requirements and the barriers experienced by unemployed residents.

Growth in finance and business services provides a basis for investigating opportunities for investment and enterprise development within Johannesburg's commercial areas. The City should assess local demand and support smaller enterprises to access procurement and supplier opportunities in these activities. National industry growth should guide this assessment, while city-level evidence should determine the sectors and locations prioritised for intervention.

7 Reference

Statistics South Africa. 2026. Quarterly Labour Force Survey, Quarter 3: 2026. Statistical release P0211. Pretoria: Statistics South Africa. Released 10 November 2026. Tables A, B, 2.3 and 3.4.

https://www.statssa.gov.za/publications/P0211/P02113rdQuarter2026.pdf