

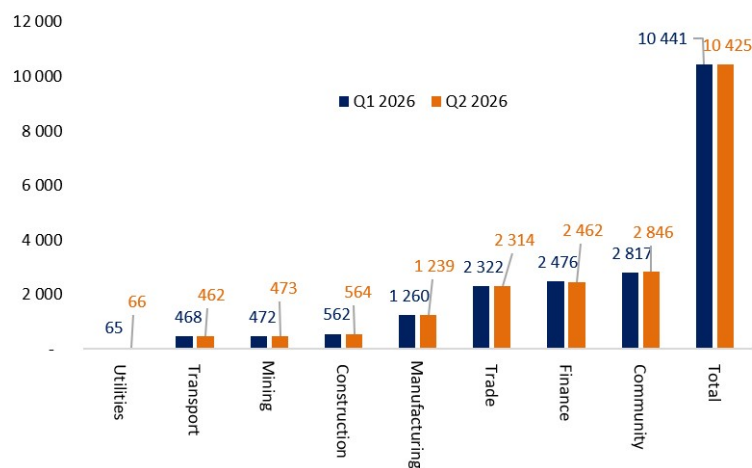
Employment in mining holding steady as wage growth continues to outpace productivity

Revised data from Stats SA indicate that the South African economy lost **16,459** jobs between Q1 and Q2 2026.¹ Total formal non-agricultural employment declined from 10.44 million employees in Q1 2026 to 10.42 million in Q2 2026. The employment picture was mixed across sectors. Sectors that shed jobs are manufacturing, finance, trade and transport.

- **Manufacturing** recorded the most decline of 20,860 jobs, from **1.26 million** to **1.24 million**.
- The **financial sector** recorded the second worst decline from 2.48 million to 2.46 million, representing a total job loss of 13,722.
- Jobs lost in the **trade** and **transport sectors**, were respectively **7,913 (to 2.31 million)** and **6,084 jobs (to 461,647)**.

Three sectors recorded gains in employment, namely **community** (+29,578 to 2.85 million), **mining** (+1,002 to 472,804), **construction** (+1,412 to 563,555) and **utilities** (+128 to 65,611) (see **Figure 1**).

Figure 1: Sectoral employment ('000)



Source: Stats SA

Focus on mining. The sector employed approximately 472,804 workers in Q2 2026, a slight increase from the 471,802 recorded in Q1 2026. The stability of mining employment is notable given the fact that the sector's GDP performance in Q2 2026 (q-o-q) contracted by 3%. Mining, though, remains one of the most important providers of relatively high-paying jobs, with average earnings per worker significantly above the national average (see **Table 1**).

¹ Source Stats SA: QES_Details_BreakDown_200909_202606

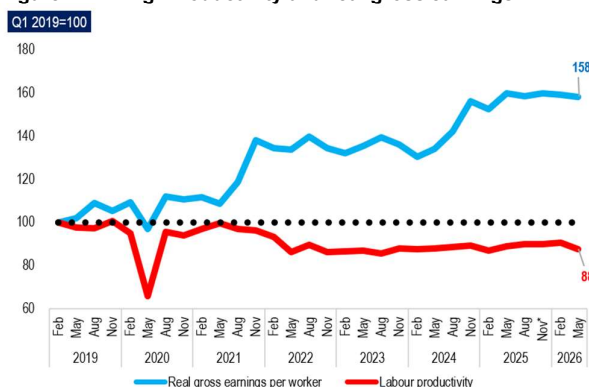
Remuneration (Table 1): South Africa's wage data for May 2026 indicates that nominal earnings growth remained positive across most sectors, although gains were uneven and generally moderate. The average monthly per capita earnings for the total economy increased by 4.1% year-on-year, rising from R29,402 in May 2025 to R30,611 in May 2026. With average consumer inflation at 3.2% (2025)², aggregate earnings growth remained marginally ahead of inflation, implying a modest improvement in workers' purchasing power.

- The **utilities sector** recorded the strongest growth, with average monthly earnings per capita increasing by 7.9% to R61,692, maintaining its position as the highest-paying sector in the economy. The **community services sector** followed with growth of 6.0%, reaching R38,486, while **transport** wages increased by 5.7% to R34,498. These sectors experienced earnings growth comfortably above inflation, suggesting an improvement in real incomes.
- The **mining sector** reported average monthly earnings per capita of R37,009, representing an increase of 3.4% from May 2025. While this growth exceeded inflation only marginally in 2025, mining remained among the better-paying sectors in the economy and continued to offer earnings substantially above the economy-wide average. The modest pace of growth likely reflects ongoing cost pressures, multi-year wage settlements which have brought relative stability in major parts of the sector, and efforts by employers to manage operating expenses amid challenging operating conditions.
- The **manufacturing sector** recorded earnings growth of 4.7%, while **trade** wages increased by 2.9% and **construction** by a subdued 1.7%. Real wage gains in these sectors were limited, and in the case of construction and trade, workers effectively experienced little improvement or a slight deterioration in purchasing power once inflation is considered.

Productivity in mining. The productivity index declined to 88 in May 2026 (Q1 2019 = 100), indicating that labour productivity remains approximately 12% below pre-pandemic levels (**Figure 2**). Productivity has generally trended downward since 2021 and remains well below its 2019 benchmark, reflecting persistent structural constraints in the economy, including infrastructure bottlenecks, energy disruptions, logistics inefficiencies and weak economic growth.

² Average CPI from Jan-August 2026 was 4.0%. The South African Reserve Bank forecasts that CPI will average 4.4% in 2026 (full calendar year).

Figure 2: Mining: Productivity and real gross earnings



Source: Stats SA, Minerals Council

Table 1: Remuneration per worker across sectors

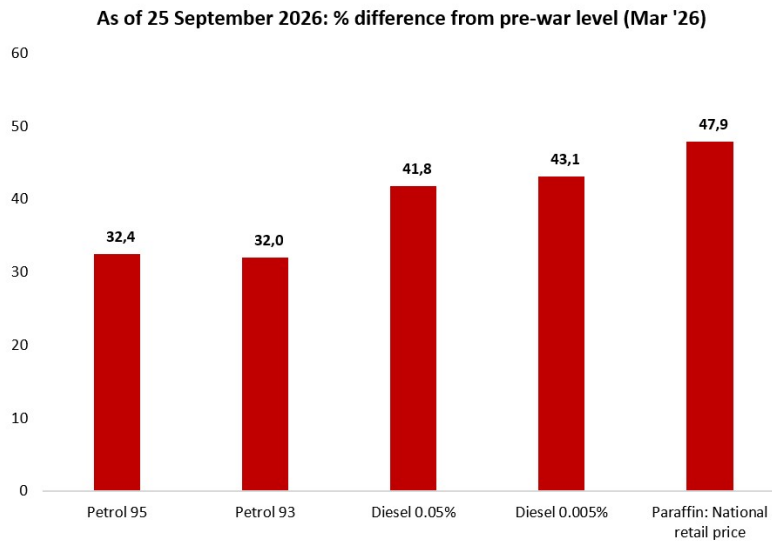
Sector	Average monthly earnings (R nominal)		
	May-25	May-26	% change
Utilities	57 174	61 692	7,9
Community	36 308	38 486	6,0
Mining	35 800	37 009	3,4
Transport	32 625	34 498	5,7
Finance	32 874	33 560	2,1
Total economy	29 402	30 611	4,1
Manufacturing	24 464	25 622	4,7
Construction	24 677	25 087	1,7
Trade	18 946	19 492	2,9
Average CPI (2025)			3,2%

In contrast, real gross earnings per worker have risen markedly. The real earnings index reached 158 in May 2026, suggesting that inflation-adjusted earnings per worker are approximately 58% above pre-pandemic levels. While some of this increase reflects changes in employment composition and improved remuneration among retained workers, it also points to a widening disconnect between labour compensation and output growth.

The divergence between real earnings and productivity highlights one of South Africa's central economic challenges. Sustainable wage growth ultimately depends on stronger productivity growth. Without improvements in infrastructure, logistics efficiency, investment and skills development, continued increases in earnings may become increasingly difficult for firms to absorb without reducing employment growth or investment.

Looking ahead: The outlook for labour costs and inflation remains vulnerable to developments in energy markets, particularly fuel prices. If the situation remained as presented in **Figure 3**, which is data as of 25 September 2026, domestic fuel prices **would remain substantially** above their pre-war levels despite some recent moderation. Diesel prices would be approximately 42% to 43% higher than March 2022 levels, while petrol prices would be about 32% higher. The national retail price of paraffin would be almost 48% above its pre-war benchmark. The actual rand increases in October 2026 (using the 25 September data in Gauteng) would average R3.12/L for petrol 95, R2.93/L (petrol 93), R2.73/L (diesel 0.05%) and R3.13/L (diesel 0.005%).

Figure 3: Fuel prices pose a significant input cost risk



Source: Vunani Bonds

- These elevated fuel prices present a significant cost risk for the economy because diesel is a critical input across the mining, transport, manufacturing and agricultural sectors. Higher transport and logistics costs tend to filter through supply chains and ultimately place upward pressure on consumer prices. For employers, persistently high fuel costs can erode operating margins and reduce the scope for future wage increases.
- Should global oil prices remain elevated or the rand weakens, renewed fuel price pressure could reinforce inflationary risks and place further strain on businesses already grappling with weak productivity growth. In such an environment, wage negotiations may become increasingly challenging as workers seek compensation for higher living costs while firms face rising operating expenses and subdued productivity performance.

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