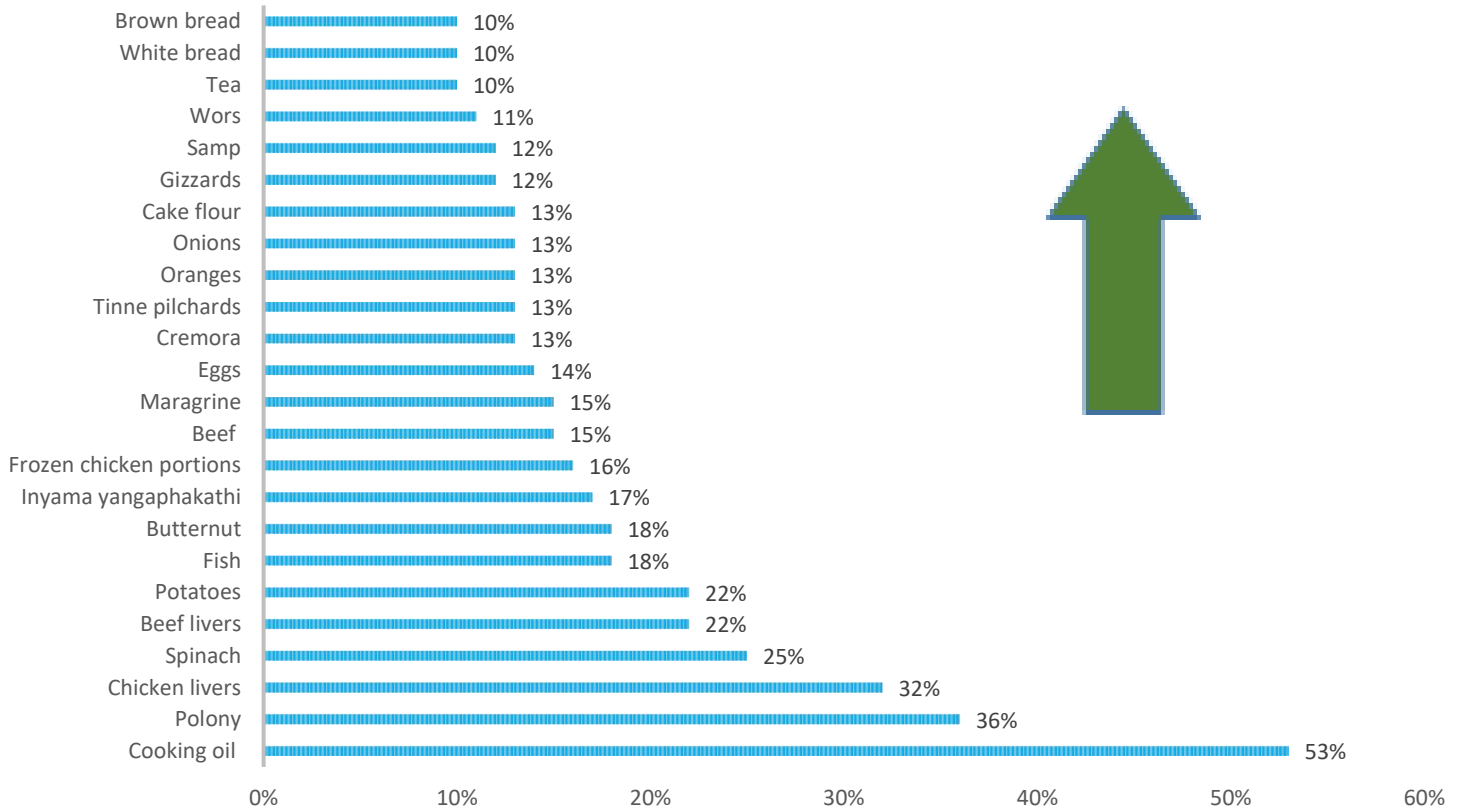


QUARTER 1 (2022/2023)
LABOUR MARKET ECONOMIC DASHBOARD
PROMINENT ISSUES ARISING IN THE LABOUR MARKET

1. INCREASE IN FOOD PRICES

% INCREASE IN SELECTED FOOD PRICES (MAY 2021-MAY 2022)



The above illustrates that the **increase** in the price of food ranged from **10% to over 50%** during the month of May 2022 as compared to the same period last year.

- **Month-on-month:** The average cost of the foods prioritised and bought first in a typical household food basket **increased** by R64, 33 (2, 7%) from R2 414, 09 in April 2022 to R2 478, 42 in May 2022.
- **Year-on-year:** The average cost of the foods prioritised and bought first in a typical household food basket **increased** by R246,30 (11%) from R2 232,12 in May 2021 to R2 478,42 in May 2022

The Pietermaritzburg Economic Justice & Dignity Group [PMBEJD] basket comprises 44 core food items most frequently purchased by lower-income households, who make up most households in the country. According to the PMBEJD, the following factors; *i.e. the Covid-19 pandemic; the Russia/Ukraine conflict; local climatic disasters such as the recent flooding in Kwa Zulu Natal; and social unrest and general daily protests – which disrupt logistics and production, etc.* have caused the upward trend in food prices as noted in May 2022 and as such, the incline in food prices can be expected for the remainder of the annual year (2022).

2. INCREASE IN FUEL PRICES

Fuel prices as from 01 June 2022.

FUEL	INCREASE	CURRENT COST (per litre)
Petrol 93	R2.43	R23.94
Petrol 95	R2.38	R24.17
Diesel	R1.10	R25.30

- The above shows the highest month-to-month petrol **increase** as has been noted from 01 June 2022.
- Even with the government's announcement of a fuel relief extension, petrol prices continue to increase **adversely affecting consumer's purchasing power** and resultantly their contribution to the economy.
- The Ministers of Finance and Mineral Resources and Energy on 31 May 2022 announced the reduction of R1.50 of the General Fuel Levy (GFL) for June 2022. This will be followed by a 75 cents reduction in July and the GFL will then return to its normal rate of R3.93 in August 2022.
- *"The continuation of the Russia-Ukraine conflict, supply-chain bottlenecks and a tightening of global monetary policy have led to further unfavorable changes in the two key drivers of the regulated petrol price — the exchange rate and the global oil price,"* Treasury said.
- According to Neil Roets (CEO of Debt Rescue South Africa), due to the worldwide increase in the prices of goods and services, especially energy and food prices, the evident rise in global inflation forces central banks to increase interest rates. All of which translates to a lower economic growth unfortunately resulting in increased levels of poverty and unemployment. According to his projections, this can be an expected reality for years to come.

3. INDUSTRIAL ACTION THAT IS UNDERWAY

TAXI PROTESTS AGAINST FUEL HIKES:

- Congress of the South African Trade Union (Cosatu) and some civic organisations had agreed to engage in protest action which was to take place on Friday (10 June 2022) in retaliation against the sky-rocketing fuel prices.
- KZN South African National Taxi Council (SANTACO) had also expressed that they would be joining the protest as hikes are affecting the taxi industry and will affect daily commuters due to inevitable taxi fare increases.
- Despite the protest not coming into action, this shows the exasperation people and different industries have with the constant increasing fuel prices



SOUTH AFRICAN REVENUE SERVICES PROTESTS:

- The national protest between South African Revenue Services (SARS) unions and the National Education, Health and Allied Workers Union (NEHAWU) and the Public Servants Association (PSA) began last month (May 2022),
- Unions were initially demanding a 12% wage increase, and later dropped it to 7% wage increase which SARS claims to not afford.
- SARS remains operational despite protest; however, taxpayers are encouraged to not go to the offices.



COMAIR LIQUIDATION:

- On the 9th of June 2022 confirmation was received that Comair (whose subsidiaries are Kulula.com and British Airways) has been grounded for good due to eminent liquidation processes.

4. REMOVE WORKING & STAFF PRODUCTIVITY:



Following the resultant price hikes, the Department of Mineral Resources and Energy's Deputy Director-General, Tseliso Maqubela, submitted that organizations', whose functions could still be undertaken remotely, be encouraged to do so in efforts of buffering the effects of the rising fuel prices.

"We need to go back and ask whether everyone needs to be driving if they can afford to and do they have the tools of trade to work from home?"

- According to the latest Cisco Global Hybrid Work study, **95%** of South African employees (sample of 28 000 global full-time employees) either work in organisation's that encourage the hybrid model or fully remote working model.
- According to the South African respondents, **87%** of companies are supportive of hybrid work practices. Furthermore, **31%** said that their companies were 'very prepared' for the hybrid work future
- More than **86%** of South African respondents said that hybrid and remote working have improved all aspects of their wellbeing; with a further **82%** indicating that their work-life balance ratio had improved since adopting remote working options.
- Additionally, **61%** of respondents said that they have saved at least four hours per week when they worked from home with another **27%** saving eight or more hours per week; due to the limited hours spent travelling and the typical office interruptions.
- Fuel and commuting have been ranked by 95% of respondents amongst the top areas where the most significant savings have been made since working remotely and these savings can be maintained over the long term in light of the stagnant economic climate.

Leaders across the country have reported equal to high productivity levels than before the Covid-19 Pandemic. Online meetings, chats, workday span and after hours and weekend work have risen over the past two years. As of February 2022, the average MSTEams user saw an increase of 252% in their weekly meeting times. Additionally, studies conducted on working from home alternatives and employees' productivity levels found that productivity increased due to less time spent travelling, less office distractions/interruptions and flexible work environment that allowed employees to work far longer hours than typically normalized within a 9 to 5 working day. In noting the adaptive changes to the world of work, new governance frameworks that govern remote working need to be introduced to those organizations whose operations can be conducted effectively remotely or via the hybrid model.

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