

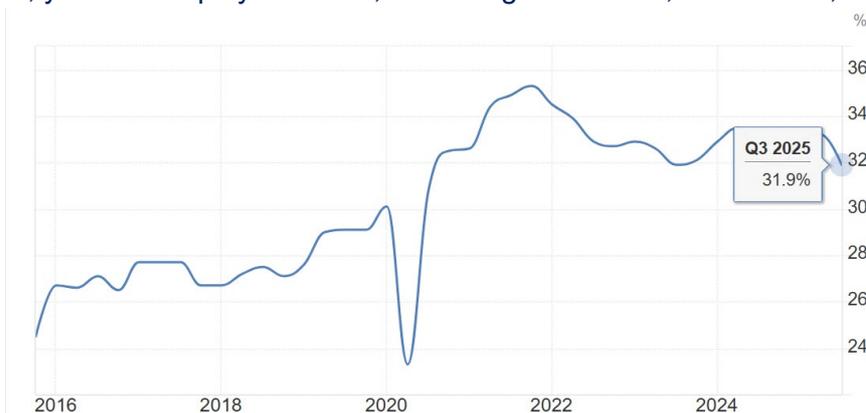
Media release
For immediate release

The highest unemployment rate on earth

South Africa holds the unenviable title of having the highest unemployment rate in the world. Against this stark backdrop, Lisa Kahanovitz, Lead for Tax Member Guidance at the South African Institute of Chartered Accountants (SAICA), unpacks the latest unemployment figures and what they reveal about the state of the labour market.

According to the most recent official measurement, South Africa's unemployment rate ranged between 42,9% to 44,9% in late 2025/early 2026. This rate includes discouraged workers who are individuals that have stopped looking for work, often believing no jobs are available (they may lack the necessary skills, or cannot find employment). They are not included in the official unemployment rate which was 31,9% for this period but are part of the "potential labor force".

Last year at the same time the official unemployment rate was 35,2% (excluding discouraged workers) which means there was a reduction in unemployment of 3,3%. However, based on the expanded definition the unemployment rate has increased from the same time last year, which means that there are more discouraged workers. This may mean that the 3,3% improvement could merely be a move from looking for work to now being discouraged and no longer looking for work. A dismal state of affairs. To add the cherry to the cake that has flopped, youth unemployment has, according to StatsSA, reached 58,5%.



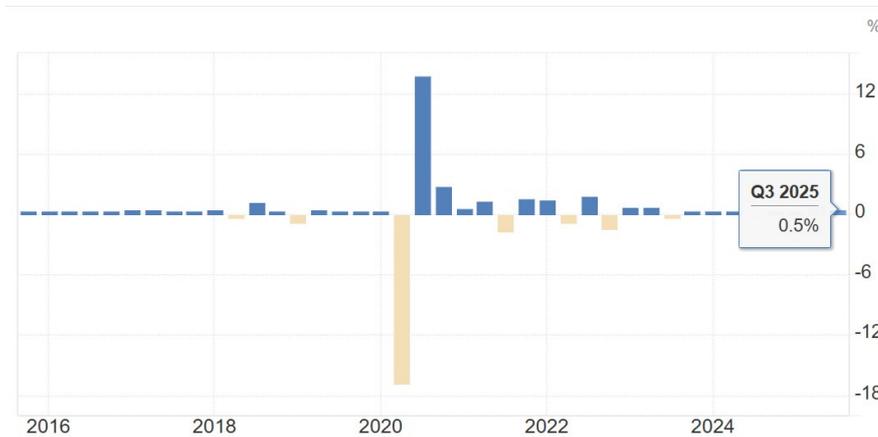
Trading economics

The graph above demonstrates how unemployment has skyrocketed in 10 years. Yes, COVID happened, but there was great improvement after that. One has to ask, what happened?

The preceding four quarters of Gross Domestic Product (GDP) growth that President Ramaphosa spoke about in his 2026 State of the Nation Address unfortunately does not seem to include the growth in jobs. So potentially



there has been GDP growth for those who were already employed over these four quarters, but no growth in jobs.



Trading economics

One can see from the graph above that South Africa’s GDP growth has remained broadly flat over the past 10 years, aside from the post-COVID rebound.

The President spoke about the jobs created through the Presidential Employment Stimulus and those created for farmers, youth and disabled individuals, but this begs the question; over which period were these jobs were created?

If government created 2.5million jobs in 2025 alone that would be great, but if they created this many jobs over 10 years, it is not so great. One needs to consider the full picture as always to understand the complete story and the veracity of these numbers.

The President’s suggestion is that “if every small and medium business in South Africa could employ one additional person, we would create 3 million new jobs”. Theoretically, this makes sense but many small to medium businesses just don’t have the financial bandwidth to do this and are in many cases struggling to pay/retain their current staff complement, never mind paying an additional person.

Government can make suggestions to the private sector, but they need to focus on what is in their direct control. South Africa was at a tipping point for job creation pre-COVID so as at 2026, the government really needs to pull a rabbit out of the hat to change the trajectory of employment in the country.

Kahanovitz shares the same sentiment with the President when he said that “it is a matter of national concern that too many South African’s remain unemployed, and too many young people struggle to find their first job.” The problem is that the statistics will prove whether this is being sufficiently addressed by government or not. And currently the stats are in dire straits, which has been the case for many years. SAICA further agrees that

above all, a strong economy relies on a well-educated, capable and skilled population.” When it comes to quality public education, once again this is fully in government hands. Very few South Africans can afford private education, therefore this responsibility falls on government.

I ask the same question I asked last year at the same time: At what unemployment rate is the South African economy going to implode? When is this rate enough to push our government into focused and drastic action? Is the government going to wait and see what happens or will decisive action be taken? These are chilling questions that we can only hope are being asked by those who have the power to turn around this state of affairs for good.

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About SAICA

The South African Institute of Chartered Accountants (SAICA), South Africa’s pre-eminent accountancy body, is recognised as the world’s leading accounting institute and is home to the leading CA designation in the world. The Institute provides a wide range of support services to more than 60 000 members and associates who are chartered accountants (CAs[SA]), as well as associate general accountants (AGAs[SA]) and accounting technicians (ATs[SA]), who hold positions as CEOs, MDs, board directors, business owners, chief financial officers, auditors and leaders in every sphere of commerce and industry, and who play a significant role in the nation’s highly dynamic business sector and economic development.

SAICA is a member of Chartered Accountants Worldwide (CAW), a global family that connects over 1,8 million fellow Chartered Accountants and students in more than 190 countries. Together, we support, develop, and promote the role of Chartered Accountants as trusted business leaders, difference makers, and advisers.

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