Unions In Crisis

Clyde Cameron

European Union - EEAS European External Action Service. Crisis. South Africa's employment fell by an annualised rate of 0.2% in April 2013 according to the latest Adcorp Employment Index. The economy shed 3 220 jobs in April compared with March. The unemployment rate rose to 25.7% in April from 25.5% in the previous month. The economy has been hit by the fall in commodity prices and a decline in foreign demand. The government is planning to introduce a new minimum wage of R20 an hour to boost employment. However, some economists believe that this could lead to inflation and higher interest rates. The government is also facing pressure to reduce its budget deficit. The economy is expected to grow by 2.5% this year, down from 3% in 2012. The government has announced a new package of measures to support the economy, including a 20% reduction in corporate taxes and a further $1 billion in infrastructure spending.