

Economist warns of deepening recession

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Mercury
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The numbers of unemployed in some of the country's major employment sectors have begun to climb as the recession deepens.

Between May and July, say figures released in Pretoria yesterday by the Central Statistical Services, the number employed in mining, manufacturing, construction, electricity and transport and communications fell by more than 30 000 to 3 020 721.

This is the biggest decrease for a number of years and reflects the slow-down which economists claim will not bottom out until late next year, at best.

Barclays Bank's chief economist, Dr Johan Cloete, said the increased unemployment in the three key sectors of mining, construction and manufacturing was the first clear sign of the re-

Fabric 'dumping' adding to unemployment, says union

Labour Reporter

ABOUT 7 000 workers have been retrenched in the textile industry this year due to a combination of the economic downturn and the 'dumping' of foreign fabric in South Africa, it was revealed yesterday.

According to the general secretary of the Textile Workers Industrial Union, Mr Norman Daniels, the country was being used as a 'dumping ground' for the world's excess fabrics, and because of this 30 percent of the estimated 130 000 workers in the industry had been hit either by retrenchment or short time.

Mr Stanley Shlagman, the executive director of the Textile Federation, said unlike other industries, the drop in consumer demand experienced by the textile industry had been 'aggravated' by imports.

'The imports in the first three to four

months of this year were 60 percent higher than the same period last year,' he said.

predicted. In agreement with other economists Dr Cloete said the 'absolute' reduction in economic activity was still ahead. 'Worse is to come and we would be fooling ourselves if we fail to face

months of this year were 60 percent higher than the same period last year,' he said.

Frame group's joint managing director, Mr Selwyn Lurie, said the group had 'severely' cut back on overtime and had adopted a policy of not re-employing people as others left.

But, the National Union of Textile Workers has reported retrenchments at SA Fabrics at Rossburgh, at Pinetown's Regina Carpets, and at Progress Knitting, Pan group and Linofra at Hammarsdale.

Last month Western Cape textile factories laid off 660 workers, bringing the total to 3 000 laid off in the area in recent months.

Mr Shlagman said the Government had appointed a commission of enquiry to look into the situation of imports but this was likely to have 'no effect on what is happening at the moment'.

this'.

Dr Cloete said the steep decline in motor vehicle sales — they reached their lowest level in 33 months in October — was another symptom indicating the recession was really starting to bite.

In the mining industry the number dropped from 715 162 in May to 702 141 in July; in the manufacturing industry 1 478 100 to 1 465 400; and in the construction industry from 443 100 to 438 400.

And during the three months there was a decrease of 2 318 to 275 565 employed in South African Transport Services.

However 1 200 more were employed in the electricity industry and 1 123 more in the post office.

The director of the Motor Industries Federation Mr Jannie van Huyssteen said: 'The crunch is really on in car sales'.