

CURRENT TRENDS & ISSUES in SOUTH AFRICA

From **CYCAN (Pty) Ltd**, Johannesburg, South Africa
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Current local/regional conditions, trends

1. Inflation in general

PPI inflation slowed sharply to 11.0% y/y in December 2008 (previously 12.6% y/y). On a monthly basis, PPI inflation declined by 1.1%, this was the fourth successive monthly decline

2. Investments

There is an expectation that investors will continue to be risk averse (particularly those that participated in the equity market fall of -23% in 2008). However, there may well be a move away from fixed interest investments as reducing interest rates will decrease the yield on the currently very popular money market funds.

3. What is "hot"

- Growth industries in the current market situations:
 - Pharmaceutical
 - Telecommunications
 - Public Sectors
- The South African government is to extend its Expanded Public Works programme fourfold in the next five years, spending R4 billion (US\$440 million) to create 4.5 million job opportunities by 2014. If successful, this will give work to roughly 10% of the country's population
- The South African government is to spend R10 billion over the next three years on the National Jobs Initiative, which will bring together a range of new and revamped programmes as part of an initiative to save jobs during the global economic crisis.
- In yet another vote of confidence in South Africa's ability to host international sporting events, SA was today named the host of the 2009 Indian Premier League tournament, due to start next month.

4. Trend in a specific market

Latest Trends in corporate recruiting for 2009:

- Upgrading employment branding
- Reinvigorating referral programs
- Renewing the focus on quality of hire
- Reinforcing the business case for recruiting
- Utilizing social networks
- Utilizing video
- Upgrading succession planning
- Using mobile-phone recruiting
- Using a CRM model for hiring
- Hiring innovators

- Recruiting globally

5. Movement of international firms

There are a number of companies listed on the JSE Securities exchange that are dual listed on stock exchanges such as London, Brussels and Paris.

We have experienced clients in the banking and IT sectors who are expanding their business into Africa and the Middle East.

6. Trends in executive markets

The worst recession in decades is still taking its toll on the executive employment market, but there appears to be some light emerging at the end of the tunnel, according to this year's report based on simultaneous surveys of 5,060 executives and 476 search consultants and HR professionals. The report shows industries with higher demand for leadership skills across functions and explains the best tactics for agile executives to use in maneuvering their careers through these uncharted waters.

7. Issues related to specific industries

The financial sector has been hit hard by the current recession, however there are signs this could be changing although this will not be in the short term.

The engineering industry has also been hard hit, this is related to the car industry.

8. Issues related to specific functions

Salaries are dropping specifically at the higher levels.

9. Wage inflation

Inflation and wage settlements have been running neck and neck this year, but wage increases are set to outstrip inflation by the end of the year.

According to Andrew Levy & Associates' quarterly wage settlement survey, inflation and the average level of settlement were both at 9.7% in the first six months, but it is expected that the settlement level will overtake inflation before the end of the year.

10. Recent articles, interviewed by media or newsworthy item for trade press

Bryan Hattingh article in The Star Business Report: "Personal Branding in a Slower Market". Go to Insights page of WSG website.