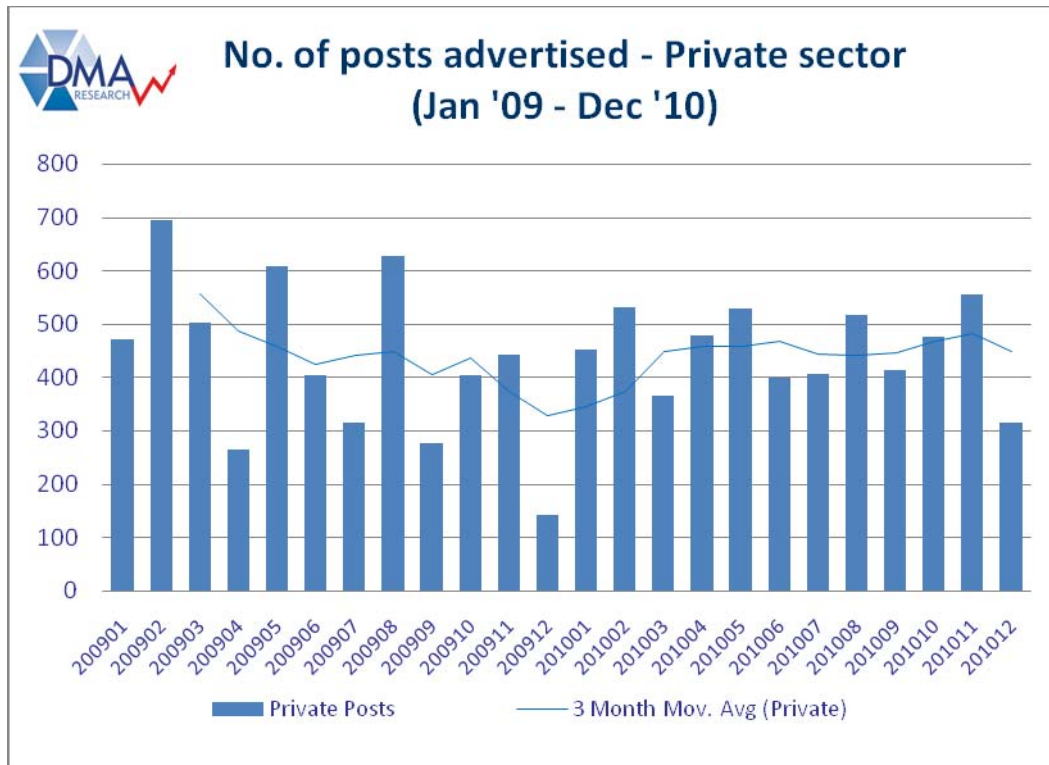


Improved outlook for professionals as opportunities hold their ground

Overall improvement in skills demand based on increase in advertised posts

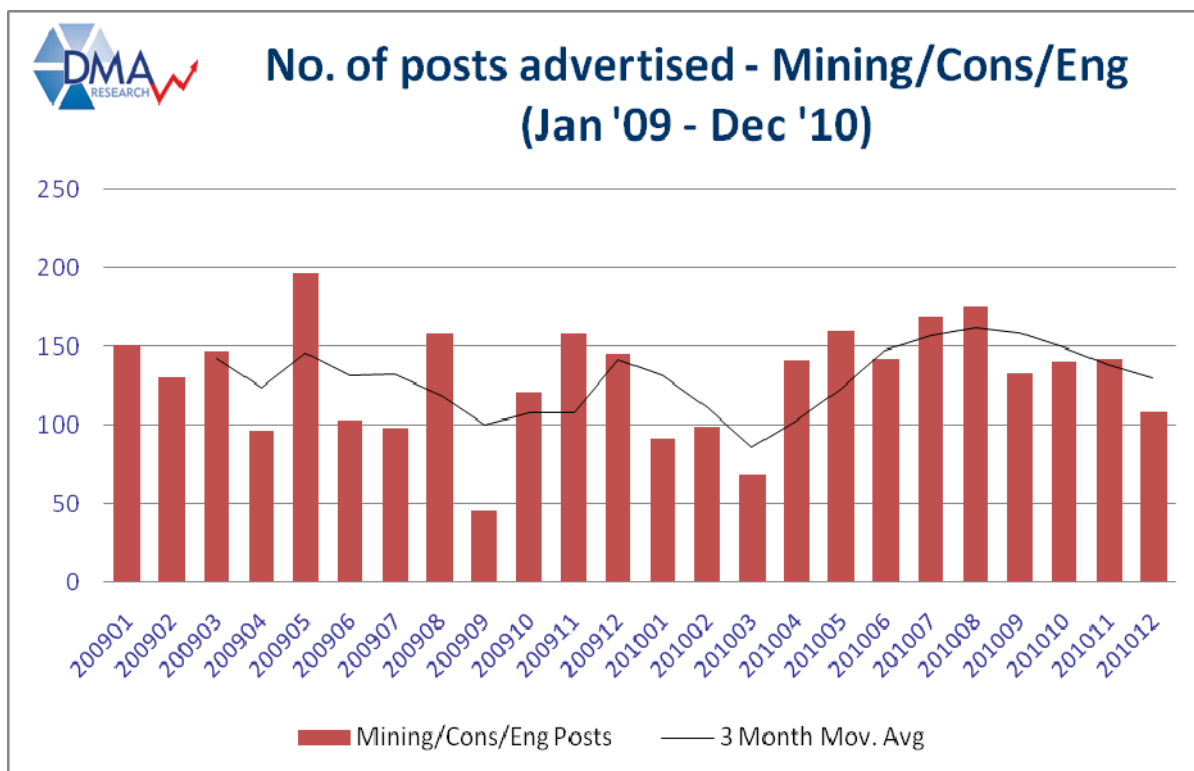


The total number of Private sector positions recorded by the DMA JOTS grew by 36% year-on-year in Q4 2010, from 989 in Q4 2009 to 1345. These also grew by 34% between September (414) and November (555) 2010, before dropping to 315 in December, during the traditional end-of year slow-down. Although dropping by 43% in the final month of the year, December figures were more than double those recorded for the same period in 2009.

SACCI's Business Confidence Index in October (85.9) and November (87) 2010 were both higher than the 82.2 and 84.1 recorded for the same months in 2009 respectively.

Whilst the overall outlook for professionals seems to be improving, however, the same can't be said for labour. Recent amendments to the Labour Relations Act, Employment Equity Act, and Basic Conditions of Employment Act and a new Employment Services Bill are likely to restrict employers further in creating opportunities for South Africa's semi-skilled and unskilled labour market, leading to an even further increase in unemployment. These bills were approved by parliament last year, published on December 17th and are currently open for public comment.

Mining/Construction/Engineering gains continued to Q3 '10 before taking a dip



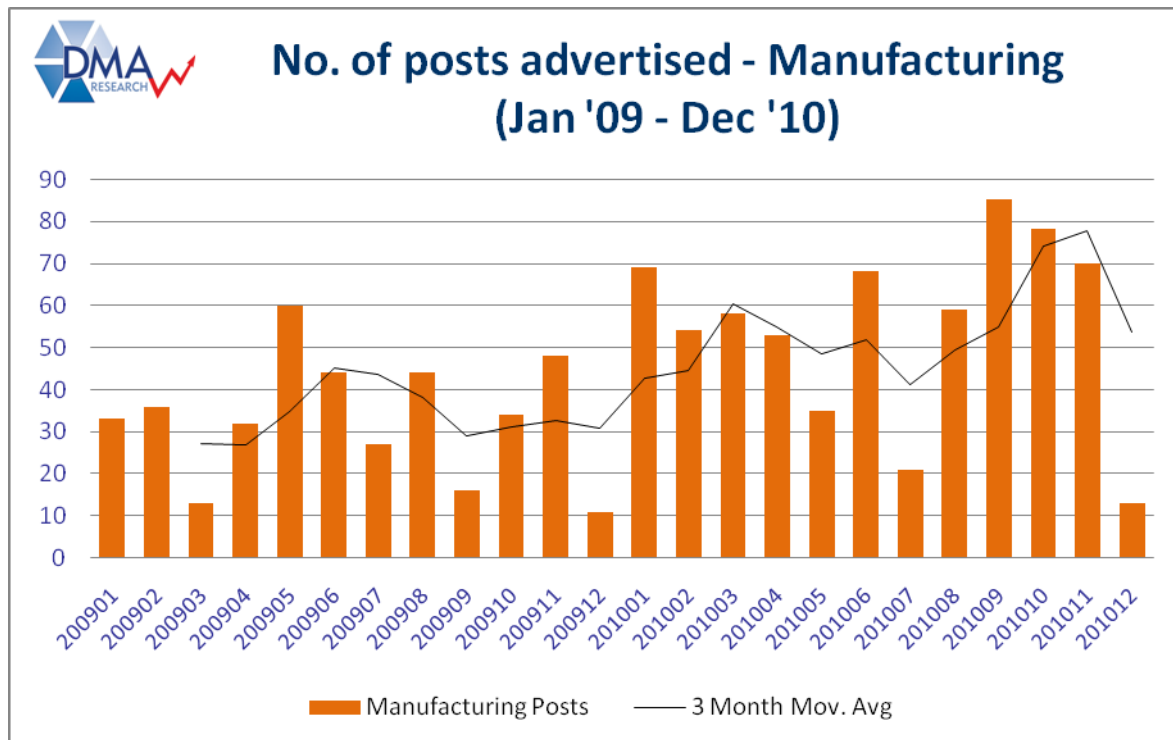
The number of positions advertised for the Mining/Construction/Engineering sector showed good recovery between Q1 and Q3 2010, peaking in August last year, as the demand for precious metals increased amongst investors due to global economic concerns and Gold's price moved into record high territory.

Advertised posts declined to a 3-month moving average of 130 in December – 8% lower than 141.3 in December 2009. Meanwhile, the US\$ Gold price also started to decline in January 2010, from its peak of US\$1423.70/oz in December, to a 30-day low of US\$1357.50/oz (a drop of around 5%), at the time of writing this article.

After a brief dip in November 2010 however, the price of Platinum has continued to soar, reaching US\$1823/oz so far in January 2011 – the highest since its record of US\$2173/oz in February 2008, causing mixed results in the demand for skills in the Mining sector.

Poor business sentiment within the Construction industry would also have dampened the above sectors demand for skills during Q4 2010. In a recent press release entitled “No sign of respite in civil construction”, Cees Bruggemans, Chief Economist at FNB states that “*The FNB/BER civil construction confidence index remained unchanged at a low level during 4Q2010. The index came in at 27 compared to 28 during 3Q2010. A reading of 27 indicates that more than three out of four civil contractors surveyed rated prevailing business conditions as unsatisfactory.*”

Manufacturing growth in Q4 '10 correlates with PMI figures

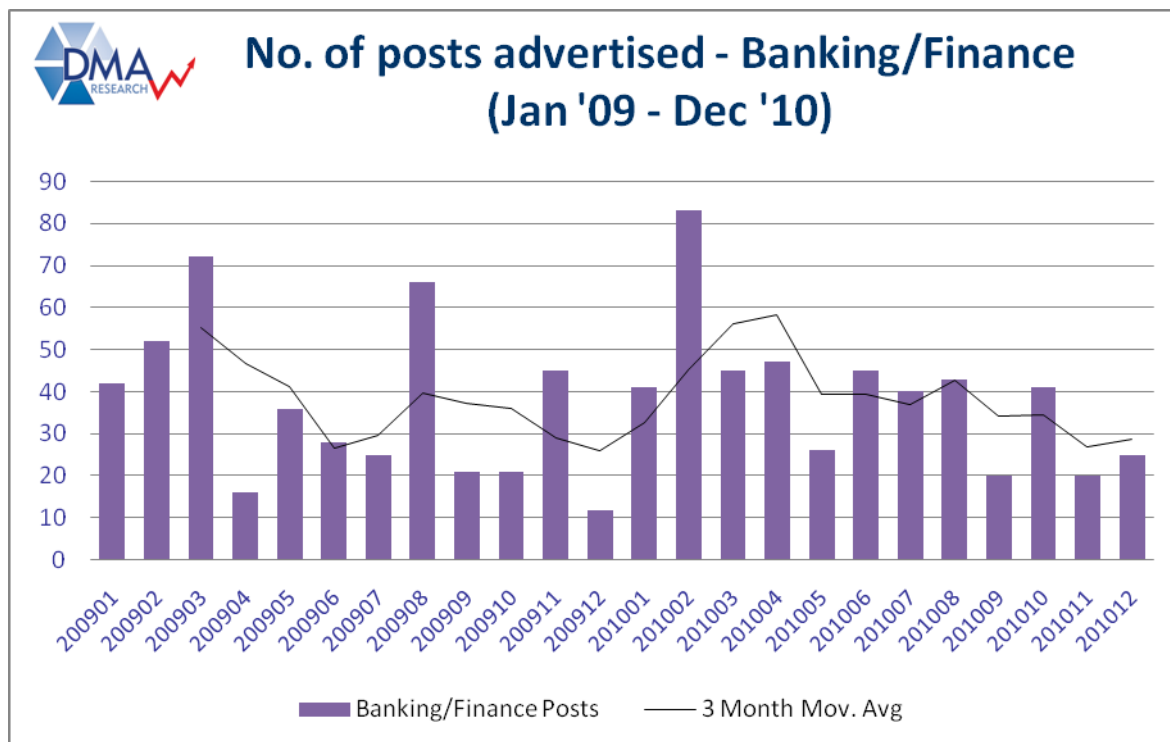


Overall growth for the Manufacturing sector continued its recovery in Q4 2010, after a significant dip was recorded in the beginning of Q3, when the attention of many had been drawn to the FIFA's World Cup 2010. This sudden drop in July 2010 reflected the sentiments of Kagiso Securities' Purchasing Managers Index (PMI), which dropped below 50 to 47.5.

Demand for skills recovered however, as output requirements increased to match the demand for manufactured items, particularly durable goods, brought about by a drop in interest rates aimed at stimulating the economy, through increased consumer spend.

Our 3-month moving average reached 138 in November 2010, its highest point in 24-months, before dropping significantly in December as a result of the traditional end-of year slow-down. Kagiso Securities' Purchasing Managers Index (PMI) also reached a high of 59.1 in November 2010, it's highest point since mid-2007.

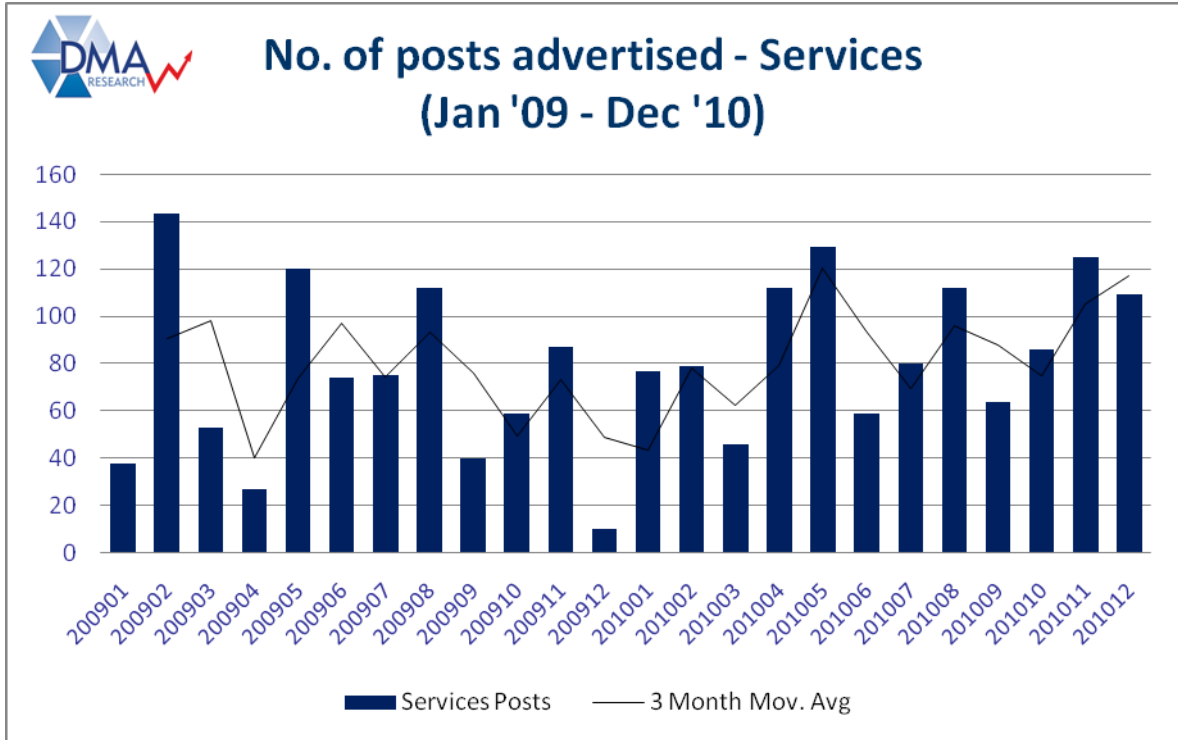
Banking/Finance shows overall decline, though Retail/Investment confidence grew



After a significant increase in the number of Banking & Finance positions advertised (58.3) in April 2010, based on a 3-month moving average, a steady decline was recorded up until November 2010, before a slight recovery in December.

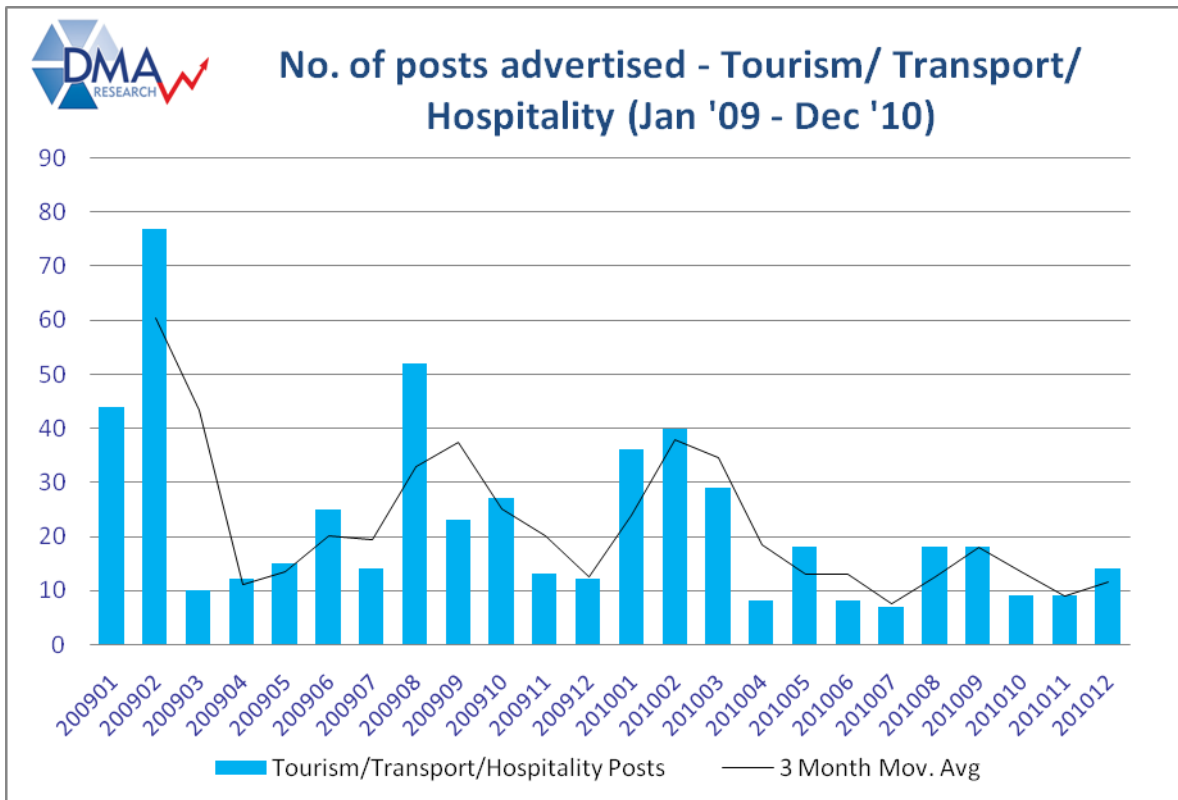
Meanwhile, according to Ernst & Young's Financial Services Index, the E&Y FSI increased from 58 in Q2 '10 to 62 in Q3 '10. During Q3 '10, confidence of retail and investment banks increased, but those of asset management and life insurance declined and confidence remained at a higher level in asset management and life insurance. Of the four segments, confidence increased by the biggest margin in the retail banking segment in Q3 '10, by 22 index points to a level of 62.

Services sector continues growth in demand as confidence in others grows



Demand for skills within the Services sector rose again in Q4 '10, with the number of positions advertised within this sector increasing to a 3-month moving average of 107 – its highest since May 2010.

Tourism/Transport/Hospitality drops after World Cup-related growth



Apart from spikes in February and August last year, when a high proportion of vacancies for Artisans and Technicians were advertised within the Transport industry, the number of positions advertised remained fairly flat for the year, but rose somewhat during the first three months of 2010, keeping the three-month moving average above 30 for Q1.

Although this dropped in Q2 '10 as the FIFA World Cup commenced and final recruitment activities for the event were completed, a marginal increase was recorded in Q3, then Q4 2010.

Overview

DMA People's Job Opportunity Tracking Study (the DMA JOTS) holds details of approximately 130 000 private and 175 000 public sector vacancies arisen since 2005 which, when viewed in comparison to other qualitative insights and quantitative economic trends, provides valuable information on the demand for skills and recruitment activity, both in South Africa and abroad.

Since its inception in 2005, recruitment trends highlighted by the DMA JOTS in 12 major sectors and 62 sub-sectors have provided decision-makers in various public and private fields with key insights to strategic human capital management, helping them make informed decisions in many critical areas, including skills development, graduate recruitment and staff retention.

Ross Mengel is Managing Director of DMA People (Pty) Ltd.