FREE STATE PROVINCE

QUARTERLY LABOUR MARKET REVIEW

THIRD QUARTER
2025

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New Definitions of Labour Market Terms and Indicators

Available potential jobseekers: Persons outside the labour force who did not carry out activities to seek employment but wanted employment and were currently available.
Contributing- family workers: are workers who help, without receiving regular pay, in a job or market-oriented enterprise held or operated by a household or family member.
Dependent contractor: Dependent contractors are workers who have contractual arrangements of a commercial nature (but not a contract of employment) to provide goods or services for or through another economic unit on which they are dependent for the organization and execution of the work, income or access to the market.
Discouraged work-seeker is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work.
Economic activities are those activities that contribute to the production of goods and services in the country. There are two types of economic activities, namely: (1) Market production activities (work done for others and usually associated with pay or profit); and (2) non-market production activities (work done for the benefit of the household, e.g. subsistence farming).
Employed persons are those aged 15–64 years who, during the reference week, did any work for at least one hour, or had a job or business but were not at work (i.e. were temporarily absent).
Employment-to-population ratio (labour absorption rate) is the proportion of the working-age population that is employed.
Employees: are workers employed for pay, on a formal or informal basis, who do not hold controlling ownership of the economic unit in which they are employed. They are remunerated in cash or in kind in return for time worked, or, in some cases, for each task or piece of work done or for services provided including sales (by the piece or commission).
Employers in corporations: are independent workers who, on their own-account or in partnership with others, own and control the activities of an incorporated enterprise that regularly employs one or more employees.
Employers in household market enterprises: are independent workers who, on their own account or in partnership with others, own and control the activities of an unincorporated market enterprise that regularly employs one or more employees.
Employers: are independent workers who own the economic unit in which they work and control its activities on their own account or in partnership with others, and in this capacity regularly employ one or more employees.
Fixed-term employees: are employees who are employed on a time-limited basis for a period of three months or more and who are guaranteed a minimum number of hours or amount of work.
Formal sector: Comprising economic unit that is formally recognized as distinct producer of goods and services for the consumption of others.
Formal sector has the following components

a) being owned or controlled by the government; or
b) being recognized as separate legal entities from their owners or
c) Registration for VAT or Income tax or
d) Keeping accounts for tax purposes or
e) Registered in a governmentally established system of registration (i.e CIPC)

Informal employment identifies persons who are in precarious employment situations, irrespective of whether or not the entity for which they work is in the formal or informal sector. Persons in informal employment, therefore, comprise all persons in the informal sector, employees in the formal sector, and persons working in private households who are not entitled to or receive basic benefits such as pension or paid leave and sick leave.
Informal sector: comprising economic unit whose production is mainly intended for the market with the purpose of generating income and profit, but that is not formally recognized as producers of goods and services distinct from the own-use production of the owner-operators' household.
The informal sector does not comply with any of the following components:

a) being owned or controlled by the government; or
b) being recognized as separate legal entities from their owners or
c) Registration for VAT or Income tax or
d) Keeping accounts for tax purposes or
e) Registered in a governmentally established system of registration (i.e. CIPC)

Independent workers without employees: are independent workers who operate an economic unit, alone or in partnership with others, that does not employ any employees on a regular basis. The economic unit which they operate may be incorporated or unincorporated.
Institutional sector of employment refers to the kind of economic unit in which the person is employed, as defined by its legal organisation, principal functions, behaviour and objectives. It is a characteristic of the economic unit in which the person is employed.
The labour force comprises all persons who are employed, plus all persons who are unemployed.

Labour force participation rate is the proportion of the working-age population that is either employed or unemployed.

Long-term unemployment: Persons in long-term unemployment are those individuals among the unemployed who were without work and trying to find a job or start a business for one year or more.

Labour underutilisation refers to mismatches between labour supply and demand which translates into an unmet need for employment among the population. The measure of Labour underutilisation includes: Time-related underemployment, Unemployment, and Potential labour force.

Outside the Labour Force (previously Not economically Active): Persons aged 15–64 years who are neither employed nor unemployed in the reference period.

Own-account workers in household market enterprises without employees: are independent workers who operate an unincorporated household market enterprise, alone or with one or more partners or contributing family workers and do not regularly employ any employees.

Owner-operators of corporations without employees: are independent workers who hold a job in an incorporated enterprise in which they hold controlling ownership of the enterprise, alone or together with one or more partners and /or with family members and does not employ any employees on a regular basis.

Paid apprentices and interns are employees who work for pay in an economic unit to acquire workplace experience or skills in a trade or profession. They may be formal or informal and may or may not receive a certification for the training experience.

Permanent employees (or with contracts without limit of time): are employees who are employed on an ongoing or indefinite basis and guaranteed a minimum number of hours or amount of work. It includes recently appointed employees with jobs that are subject to an initial trial period but who are expected to continue indefinitely.

Potential Labour Force: The potential labour force includes persons who are not in the labour force, but are either available for work but not actively seeking employment or actively seeking employment but not currently available to work.

(a) carried out activities to “seek employment”, were not “currently available” but would become available within a short subsequent period (i.e. unavailable jobseekers); or

(b) did not carry out activities to “seek employment” but wanted employment and were “currently available” (i.e. available potential jobseekers).

Short-term and casual employees: are employees with short-term employment arrangements and/or without a guaranteed minimum number of hours or amount of work per pay period. It excludes paid apprentices, interns, trainees with short-term employment arrangements.

Status in employment: Status in employment refers to the type of work relationship a person has in his/her job, taking into account the kind of economic risk and degree of authority that the person experiences in their job.

Time related underemployment: Time-related underemployment refers to the number of employed persons whose hours of work in the reference period are insufficient in relation to a more desirable employment situation in which the person is willing and available to engage.

Unavailable jobseekers: Persons outside the labour force who carried out activities to seek employment, were not currently available but would become available within a short subsequent period.

Persons in underemployment (time-related) are employed persons who were willing and available to work additional hours, whose total number of hours actually worked during the reference period were below 35 hours per week.

Unemployed persons according to the Official definition are those (aged 15–64 years) who:

a) were not employed in the reference week; and

b) actively looked for work or tried to start a business in the four weeks preceding the survey interview; and

c) were available for work, i.e. would have been able to start work or a business in the reference week; or

d) had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and were available.

Unemployment rate is the proportion of the labour force that is unemployed.

Willing non-jobseekers: Persons not in employment who wanted employment but did not seek employment and were not currently available.

Working age population: The working age population consists of all individuals aged 15 years and older who are considered capable of working regardless of their employment status.

Source: Statistics South Africa, 2025

Quick hard facts

- The official unemployment rate in South Africa declined from 33.2% in 2025:Q2, to 31.9% in 2025:Q3, marking a decrease of 1.3 percentage points. This is the lowest level since 2024:Q4, marking the first decline this year. This improvement was driven by a rise in employment and a reduction in unemployment. However, the labour force participation rate slightly declined by 0.5 of a percentage point to 59.7%, while the absorption rate increased by 0.5 of a percentage point to 40.7%. On a year-over-year basis, the unemployment rate declined marginally by 0.2 of a percentage point compared to the same period in the previous year.

- At the national level, the number of employed persons increased by 248 000, and collectively contributed to job creation in six of the ten industries in 2025:Q3 compared to the previous quarter. The largest increases in employment were recorded in the construction industry (130 000), followed by the community and social services (116 000) and trade (108 000) industries. In contrast, the decreases in employment were recorded in the manufacturing (62 000), followed by finance (54 000) and utilities (30 000) industries.

- Across South Africa, employment increased in eight provinces between 2025:Q2 and 2025:Q3. The Western Cape led job creation with 70 000 jobs, followed by KwaZulu-Natal with 54 000 jobs, and Gauteng with 51 000 jobs. In contrast, jobs were shed in Eastern Cape only with 53 000 jobs. The Free State contributed positively, adding approximately 16 000 jobs during this period.

- In the Free State, the official unemployment rate decreased by 2.3 percentage points, falling from 38.5% in 2025:Q2 to 36.2% in 2025:Q3. Gender-specific improvements were also observed: the unemployment rate among women declined by 0.9 of a percentage point (from 40.4% to 39.5%), while the rate for men dropped more significantly, by 3.2 percentage points (from 36.7% to 33.5%). The combined rate of unemployment and potential labour force in FS decreased by 1.1 percentage point in 2025:Q3 compared with 2025:Q2.

- In 2025:Q3, unemployed individuals without matric were 217 000 (out of 444 000 unemployed), while those with matric were 186 000 and graduates were 39 000 compared with the previous quarter. Unemployment number for those with matric or lower educational qualifications exceeded individuals with other tertiary qualifications and graduates. Year-on-year comparisons indicated that the unemployment decreased most among those with matric by 22 000 and decreased less in those without matric by 6 000, while those with tertiary education levels declined by 8 000.

- The youth aged 15 to 24 years remain the most vulnerable demographically in the provincial labour market, facing a notably high unemployment rate of 65.1% in 2025:Q3.

- Total employment in the Free State increased over the quarter, in five out of the ten industries, which added approximately 16 000 jobs. More jobs were created in construction industry (15 000 jobs), followed by transport (13 000 jobs) and community and social services (11 000 jobs) industries. However, job losses were recorded in the agricultural sector (14 000 jobs) the private household sector (8 000 jobs) and manufacturing and finance industries (5 000 jobs, respectively).

- Regarding employment by industry and gender, more men were employed than women in the Free State, with 442 000 men employed compared to 340 000 women. From quarter two to quarter three of 2025, female employment declined by 15 000, while male employment rose by 31 000. On a year-on-year basis, the number of employed women increased by 18 000, while the number of employed men decline by 11 000.

1.1 Economic Growth Outlook

The year 2025 has been marked by significant variability and instability, largely driven by a reordering of policy priorities in the United States and corresponding policy adjustments in other major economies. Uncertainty surrounding the stability and direction of the global economy remains a central concern. Trade developments have dominated headlines, with shifts in sentiment regarding global growth prospects fluctuating accordingly. At the same time, several advanced economies have introduced substantial cuts to international development assistance and imposed new restrictions on immigration. Several major economies have also adopted more expansionary fiscal policies, raising questions about the sustainability of public finances and the potential for cross-border spillovers.

Global growth is projected to moderate from 3.3% in 2024 to 3.2% in 2025, and further to 3.1% in 2026. The slowdown reflects headwinds stemming from heightened uncertainty and rising protectionism, even though the tariff shocks have been less severe than initially anticipated. These measures continue to generate both supply-side disruptions for tariff-imposing economies and demand-side impacts on targeted trading partners.

In advanced economies, growth is expected to slow from 1.6% in 2024 to 1.6% in both 2025 and 2026. Forecasts for 2025 have been revised downward significantly since January, largely reflecting weaker outlooks in several of the world's largest economies. The escalation of trade barriers, despite a temporary 90-day pause in U.S. tariff increases, has heightened policy uncertainty and financial volatility, weighing on business confidence. Consequently, output in several advanced economies, including the United States and the euro area, is projected to remain below potential over the forecast horizon.

For emerging market and developing economies (EMDEs), growth is projected to ease from 4.3% in 2024 to 4.2% in 2025 and 4.0% in 2026. The slowdown reflects broad-based downward revisions to trade and investment forecasts amid a deteriorating external environment. Persistent trade policy uncertainty is expected to dampen advanced-economy demand for EMDE exports and weaken foreign direct investment (FDI) inflows. Given the elevated global uncertainty and rising protectionist pressures, FDI which was historically a critical driver of long-term growth in EMDEs, is likely to remain subdued.

In sub-Saharan Africa, growth is projected to remain steady at 4.1% in 2025, unchanged from 2024, before rising modestly to 4.4% in 2026. Elevated public debt levels, high interest rates, and increasing debt-servicing costs continue to constrain fiscal space, prompting consolidation efforts across many countries. These challenges are compounded by reduced international development assistance and persistent financing pressures.

South Africa's economy is projected to grow by 1.4% in 2025, according to the National Treasury. This growth is underpinned by the easing of severe load-shedding, alongside moderating inflation and a recovery in domestic demand. The financial services sector remains a key driver of overall economic performance.

In the second quarter of 2025, the strongest gains were recorded in manufacturing, mining, and trade, while construction and transport sectors experienced contraction. Despite these positive developments, the overall growth rate remains insufficient to address persistently high unemployment and does not outpace population growth, leaving the country in a per capita recession.

According to Statistics South Africa, population growth has slowed in 2025, largely due to a declining birth rate. This trend reflects greater access to education and family planning for women, rising living costs, and shifting social and economic priorities (Statistics South Africa).

1.2 South Africa Labour Market Overview

Statistics South Africa (Stats SA) implemented a revised Quarterly Labour Force Survey (QLFS) questionnaire in the third quarter of 2025 (2025:Q3) to align with the latest international labour statistics standards. These updates reflect recent resolutions of the International Conference of Labour Statisticians (ICLS), specifically the 19th ICLS on work, employment and labour underutilisation; the 20th ICLS on work relationships; and the 21st ICLS on the informal economy. The revisions introduced new questions and amended existing ones to enhance the quality and relevance of labour market data.

This report summarises key findings from the 2025:Q3 QLFS, based on the updated survey instrument. The changes form part of Stats SA's broader effort to ensure that South Africa's labour statistics remain robust, relevant and comparable at an international level. Importantly, while the revisions improve the measurement of several labour market dimensions, they do not affect the underlying definitions of employment or unemployment. As a result, headline unemployment figures remain consistent and comparable with previous quarters.

Beyond unemployment statistics, the report provides a more comprehensive view of labour underutilisation through the inclusion of indicators LU1, LU2, LU3 and LU4. This expanded framework recognises that unemployment alone does not fully capture the extent of underutilised labour in the economy. Furthermore, the category previously termed "Not Economically Active" has been updated to "Outside the Labour Force," accompanied by new concepts related to the "Potential Labour Force."

Substantial revisions were also made to the definitions of the formal and informal sectors, as well as formal and informal employment. Due to these definitional updates, estimates of informality for 2025:Q3 are not comparable with those from earlier periods (Statistics South Africa, 2025).

Table 1: South Africa's Labour Market at a glance

	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
Population 15-64 yrs	**41 431**	**41 822**	**41 948**	**126**	**517**	**0,3**	**1,2**
Labour Force	**24 957**	**25 174**	**25 062**	**-112**	**105**	**-0,4**	**0,4**
Employment	**16 946**	**16 807**	**17 055**	**248**	**109**	**1,5**	**0,6**
Formal sector*			11 983				
Informal sector*			3 961				
Household sector	1 128	1 106	1 111	5	-17	0,5	-1,5
Unemployment	**8 011**	**8 367**	**8 007**	**-360**	**-4**	**-4,3**	**0,0**
Outside the Labour Force	**16 474**	**16 648**	**16 886**	**238**	**412**	**1,4**	**2,5**
Potential Labour Force	4 258	4 299	4 529	230	271	5,4	6,4
Available Potential job-seekers	4 220	4 280	4 446	166	226	3,9	5,4
Discouraged job-seekers	3 355	3 445	3 481	36	126	1,0	3,8
Other (available potential job-seekers)	865	836	965	129	100	15,4	11,6
Unavailable job-seekers	38	19	83	64	45	336,8	118,4
Other (Outside the labour force)	12 215	12 348	12 357	9	142	0,1	1,2
Key rates: Working-age Population (%)							
Labour force participation rate	60,2	60,2	59,7	-0,5	-0,5		
Employed / population ratio (Absorption)	40,9	40,2	40,7	0,5	-0,2		
Inactivity rate	39,8	39,8	40,3	0,5	0,5		
Labour underutilisation (LU) indicators (%)							
LU1-Unemployment rate	32,1	33,2	31,9	-1,3	-0,2		
LU2-Combined rate of unemployment & time related	35,2	36,1	34,9	-1,2	-0,3		
LU3-Combined rate of unemployment & potential labour force	42,2	43,0	42,4	-0,6	0,2		
LU4-Composite measure of labour underutilisation	44,7	45,4	44,9	-0,5	0,2		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

** Definition of sector based on the latest standard, i.e. 21st ICLS resolution concerning statistics on informal economy-therefore estimates of Q3:2025 are not comparable with the previously produced estimates based on the old standards*

According to the QLFS results for 2025:Q3, employment increased by 248 000, bringing the total number of employed persons to 17.1 million. Over the same period, the number of unemployed persons declined by 360 000 to 8.0 million. Consequently, the overall labour force contracted by 112 000 (-0.4%) between the second and third quarters of 2025.

Within the population outside the labour force, the number of potential labour force rose by 230 000 (5.4%), while the remainder of the group increased by 9 000 (0.1%). Combined, these changes resulted in a 238 000 increase in the outside the labour force, reaching a total of 16.9 million in 2025:Q3. These shifts in employment and unemployment contributed to a 1.3 percentage-point decline in the official unemployment rate, from 36.1% in 2025:Q2 to 34.9% in 2025:Q3. The combined rate of unemployment and the potential labour force also decreased, falling by 0.6 of a percentage point to 42.4% over the same period. Additionally, the labour force participation rate declined by 0.5 of a percentage point, while the absorption rate improved by 0.5 of a percentage point.

1.3 Cross-Provincial Labour Market Performance

As South Africa reflects on progress toward gender equality, the latest QLFS for the second quarter of 2025 highlights persistent disparities in the labour market. Women are more vulnerable relative to men. A key measure of economic vulnerability is the informal employment rate, which covers all individuals who are employed in the informal sector, private households, or household businesses without pay, as well as those employed without access to benefits such as pension or medical aid and without a written contract.
In 2025:Q2, the informal employment rate for women was 27.2%, meaning that more than one in four employed women, approximately 2.0 million, remain in vulnerable forms of work. For many women, the informal sector continues to function as an essential economic lifeline. During the same period, nearly 1.2 million women, representing 15.9% of all employed women, were working in the informal sector. These forms of employment often lack critical labour protections, including medical aid coverage, pension contributions, and formal contractual agreements (Statistics South Africa, 2025).

1.3.1. Employment Levels

Nationally, employment increased by 1.5% in 2025:Q3 compared to 2025:Q2. As shown in Table 2, eight provinces contributed to the overall gain of 248 000 jobs during this period. The Western Cape recorded the largest increase, adding 70 000 jobs, followed by KwaZulu-Natal with 55 000 and Gauteng with 51 000. Job losses occurred only in the Eastern Cape, which shed 54 000 jobs. The Free State also demonstrated notable growth, creating 17 000 additional jobs, an increase of 2.1%.

Table 2: Employment by Province

Province	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
South Africa	**16 946**	**16 807**	**17 055**	**248**	**109**	**1,5**	**0,6**
Western Cape	2 749	2 744	2 814	70	65	2,6	2,4
Eastern Cape	1 452	1 462	1 408	-54	-44	-3,7	-3,0
Northern Cape	337	314	319	5	-18	1,6	-5,3
Free State	**775**	**766**	**782**	**16**	**7**	**2,1**	**0,9**
KwaZulu-Natal	2 840	2 702	2 757	55	-83	2,0	-2,9
North West	956	895	937	42	-19	4,7	-2,0
Gauteng	5 037	5 186	5 237	51	200	1,0	4,0
Mpumalanga	1 241	1 223	1 246	23	5	1,9	0,4
Limpopo	1 559	1 515	1 555	40	-4	2,6	-0,3

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

In the third quarter of 2025, approximately 109 000 more jobs were recorded compared to the same period in 2024. Employment growth was observed in four provinces, with Gauteng leading the gains by adding 200 000 jobs. This was followed by the Western Cape with an increase of 65 000 jobs and the Free State with 7 000 additional jobs.

In contrast, KwaZulu-Natal experienced the largest decline, shedding 83 000 jobs, followed by the Eastern Cape with a loss of 44 000 jobs and the North-West with a decrease of 19 000 jobs.

1.3.2. Unemployment Rate

South Africa's official unemployment rate stands at 33.2%, but the figures show that women continue to carry a heavier share of this burden. The unemployment rate for women was 35.9%, compared to 31.0% for men, a gap of 4.9 percentage points. These differences reflect persistent gender imbalances in unemployment, labour force participation, and the sectors in which men and women are employed.

The number of unemployed people in South Africa increased from 5.4 million in the third quarter of 2015 to 8.0 million in the third quarter of 2025, reflecting a rise of 2.6 million over the past decade. Long-term unemployment also intensified, the share of individuals unemployed for a year or longer grew from 66.3% in 2015:Q3 to 77.0% in 2025:Q3. This means that nearly four out of five unemployed persons had been without work for at least 12 months, while only 23.0% were in short-term unemployment during 2025:Q3.

Labour market data presented in Table 3 show that South Africa's official unemployment rate declined by 1.3 percentage points quarter-on-quarter, with seven provinces recording improvements. The sharpest decrease occurred in Limpopo, where the rate fell by 5.2 percentage points, followed by the Free State (down 2.3 percentage points) and the North-West (down 2.0 percentage points). The Eastern Cape was the only province to record an increase, rising by 1.7 percentage points.

On a year-on-year basis, the national unemployment rate decreased by 0.2 of a percentage point. Three provinces experienced decreases, led by Limpopo (down 2.8 percentage points), followed by Mpumalanga (down 2.2 percentage points) and Gauteng (down 0.9 of a percentage point). Additional increases were recorded in the Eastern Cape (4.0 percentage points), North-West (1.3 percentage points) and Northern Cape (0.8 percentage points).

Table 3: Unemployment Rate by Province

	Official unemployment rate					Combined rate of unemployment and potential labour force				
Province	**Jul-Sep 2024**	**Apr-Jun 2025**	**Jul-Sep 2025**	**Qrt to Qrt change**	**Year on year change**	**Jul-Sep 2024**	**Apr-Jun 2025**	**Jul-Sep 2025**	**Qrt to Qrt change**	**Year on year change**
	Percent			**Percentage points**		**Percent**			**Percentage points**	
South Africa	**32,1**	**33,2**	**31,9**	**-1,3**	**-0,2**	**42,0**	**43,0**	**42,4**	**-0,6**	**0,4**
Western Cape	19,6	21,1	19,7	-1,4	0,1	25,7	27,0	25,8	-1,2	0,1
Eastern Cape	37,2	39,5	41,2	1,7	4,0	47,6	47,7	50,2	2,5	2,6
Northern Cape	30,4	32,7	31,2	-1,5	0,8	43,1	47,0	46,5	-0,5	3,4
Free State	**36,0**	**38,5**	**36,2**	**-2,3**	**0,2**	**43,3**	**43,8**	**42,7**	**-1,1**	**-0,6**
KwaZulu-Natal	31,2	33,4	31,7	-1,7	0,5	45,7	47,9	46,6	-1,3	0,9
North-West	36,8	40,1	38,1	-2,0	1,3	51,5	54,7	52,5	-2,2	1,0
Gauteng	34,0	33,8	33,1	-0,7	-0,9	39,3	39,2	39,6	0,4	0,3
Mpumalanga	36,2	34,0	34,0	0,0	-2,2	47,8	48,4	47,5	-0,9	-0,3
Limpopo	32,6	35,0	29,8	-5,2	-2,8	46,3	47,7	45,1	-2,6	-1,2

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

During 2025:Q3, the Western Cape, Limpopo and Northern Cape posted official unemployment rates below the national average. All other provinces exceeded this benchmark. The Eastern Cape recorded the highest unemployment rate nationally at 41.2%, followed by the North-West at 38.1% and the Free State at 36.2%.

Nationally, the combined rate of unemployment and the potential labour force declined by 0.6 of a percentage point, falling from 43.0% in 2025:Q2 to 42.4% in 2025:Q3. During the same period, seven provinces recorded decreases. The most notable reductions were observed in Limpopo (down 2.6 percentage points), the North-West (down 2.2 percentage points) and KwaZulu-Natal (down 1.3 percentage points). In contrast, the Eastern Cape and Gauteng reported increases of 2.5 percentage points and 0.4 of a percentage point, respectively.

Year-on-year, the national combined rate of unemployment and the potential labour force increased by 0.4 of a percentage point, with six provinces showing upward trends. The Northern Cape recorded the largest increase at 3.4 percentage points, followed by the Eastern Cape (2.6 percentage points) and the North-West (1.0 percentage point). Conversely, Limpopo, the Free State and Mpumalanga registered declines of 1.2, 0.6 and 0.3 percentage points, respectively.

1.4 Decomposition of the Free State Labour Market

The Free State's labour force declined from 1 245 000 to 1 226 000 people between 2025:Q2 and 2025:Q3, representing a decrease of 19 000 people.

Table 4: Free State Labour Force Characteristics

	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
Population 15-64 yrs	**1 940**	**1 943**	**1 944**	**1**	**4**	**0,1**	**0,2**
Labour Force	**1 212**	**1 245**	**1 226**	**-19**	**14**	**-1,5**	**1,2**
Employed	775	766	782	16	7	2,1	0,9
Formal sector			553				
Informal sector			164				
Household sector			65				
Unemployed	**436**	**479**	**444**	**-35**	**8**	**-7,3**	**1,8**
Outside of labour force	**729**	**698**	**718**	**20**	**-11**	**2,9**	**-1,5**
Potential Labour Force	157	118	138	20	-19	16,8	-11,8
Available jobseekers	155	118	137	20	-18	16,6	-11,5
Discouraged jobseekers	118	87	90	3	-28	3,7	-23,6
Other (Available jobseekers)	37	31	47	16	10	53,0	27,1
Unavailable jobseekers	2	1	1	0	-1	46,7	-46,6
Other (Outside the Labour Force)	572	580	579	0	7	-0,1	1,3
Key rates: Working-age Population							
Labour force participation rate	62,4	64,1	63,1	-1,0	0,7		
Employed / population ratio (Absorption)	40,0	39,4	40,2	0,8	0,2		
Inactivity rate	37,6	35,9	36,9	1,0	-0,7		
Labour underutilisation (LU) indicators (%)							
LU1-Unemployment rate	36,0	38,5	36,2	-2,3	0,2		
LU2-Combined rate of unemployment, time-related underemployment	41,0	42,2	39,7	-2,5	-1,3		
LU3-Combined rate of unemployment & potential labour force	43,3	43,8	42,7	-1,1	-0,6		
LU4-Composite measure of labour underutilisation	47,7	47,2	45,8	-1,4	-1,9		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

Over the same period, employment increased by 16 000, from 766 000 to 782 000, while the number of unemployed persons fell by 35 000. These shifts resulted in an official unemployment rate of 36.2%, an employment (absorption) rate of 40.2%, and a labour force participation rate of 63.1% for the province.

As shown in Table 4, the number of people outside the labour force in the Free State increased by 2.9% in 2025:Q3, equivalent to an additional 20 000 individuals.

On a year-on-year basis, the provincial labour force grew by approximately 14 000 people. This contributed to a 0.9% increase in employment (an additional 7 000 workers), while the number of unemployed persons rose by 1.8% (or 8 000 workers).

1.4.1. Employment in the Free State Province

An analysis of the labour data in Table 5 reveals that the Free State Province had approximately 782 000 employed individuals in 2025:Q3. Of these, 70.7% (553 000) were employed in the formal sector, 21.0% (164 000) in the informal sector, and 8.3% (65 000) in household sector. The results of 2025:Q3 are based on the 21st ICLS resolution which also recommends the three categories of sector, namely formal sector (including Agriculture), informal sector (including Agriculture) and households.

In the third quarter of 2025, the community and social services sector remained the largest employer in the Free State, providing 222 000 jobs. This was followed by the trade sector with 152 000 jobs and the finance sector with 94 000 jobs. The utilities sector (water, gas, and electricity) continued to be the smallest employer, supporting approximately 2 000 workers, while the mining and transport sectors accounted for 26 000 and 42 000 jobs respectively (see Table 5).

Quarter-to-quarter comparisons show that employment increased in construction (+15 000), transport (+13 000), and community and social services (+8 000). In contrast, substantial job losses occurred in agriculture (-14 000), private households (-7 000), and both the manufacturing and finance sectors, each shedding 5 000 jobs.
On a year-on-year basis, overall employment in the Free State grew by 0.9%. The mining sector recorded the strongest annual growth (+22.8%), followed by transport (+9.8%) and finance (+8.5%). However, significant declines were observed in the utilities sector (-68.8%), private households (-10.7%), and manufacturing (-10.1%) over the same period.

Table 5: Free State Employment by Industry/Sector

	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
Industry	**775**	**766**	**782**	**16**	**7**	**2,1**	**0,9**
Agriculture	78	85	71	-14	-7	-16,1	-8,5
Mining	21	25	26	2	5	7,1	22,8
Manufacturing	52	52	47	-5	-5	-9,8	-10,0
Utilities	6	2	2	0	-4	4,7	-68,8
Construction	58	45	60	15	3	34,6	4,5
Trade	151	144	152	7	1	5,1	0,4
Transport	39	29	42	13	4	44,3	9,8
Finance	87	99	94	-5	7	-4,8	8,5
Community and social services	211	214	222	8	11	3,9	5,3
Private households	72	71	65	-7	-8	-9,2	-10,7

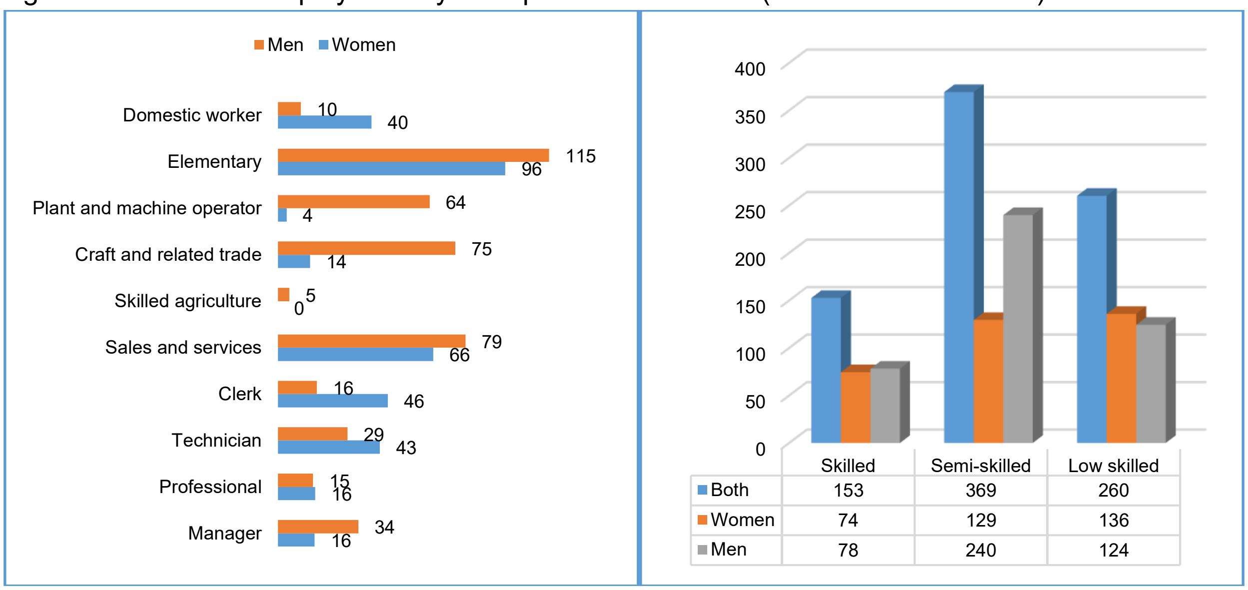
Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

Figure 1 presents employment by gender and occupation in the Free State Province for 2025:Q3. Women were most represented in professional, technical, clerical, and domestic work occupations. In contrast, men dominated seven occupational categories, including management, sales and services, skilled agriculture, craft and related trades, plant and machine operations, and elementary occupations.
Overall, employment among women remained lower than that of men, with women accounting for 43.4% of the workforce compared to 56.6% for men. The provincial labour market was largely composed of semi-skilled workers, who made up 47.2% of total employment, followed by low-skilled workers at 33.3% and skilled workers at 19.5%.

Among women, 74 000 (21.9%) were employed in skilled occupations, 129 000 (38.1%) in semi-skilled roles, and 136 000 (40.0%) in low-skilled work during 2025:Q3. Over the same period, female employment declined by 15 000, while male employment increased by 31 000 compared to 2025:Q2.

At present, 340 000 women are employed in the province, compared to 442 000 men. The official unemployment rate for women decreased by 0.9 percentage points, while the rate for men fell by 3.2 percentage points.

Figure 1: Free State Employment by Occupation and Gender (Number in thousands)



Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

The provincial labour force participation rate for women is currently 55.6% (down from 58.3% in 2025:Q2), whereas the rate for men stands significantly higher at 71.1% (up from 70.4% in 2025:Q2). This gap highlights that a larger proportion of women remain outside the labour force and are increasingly discouraged from seeking employment. Women remain particularly vulnerable in the labour market, facing heightened risks of long-term unemployment, which can further diminish their prospects of securing future work. Regrettably, women in South Africa continue to experience disproportionately high levels of unemployment, underemployment, and lower labour force participation relative to men. This is partly due to the greater burden of household responsibilities, childbearing, and other caregiving duties, which limit women's opportunities and upward mobility in the labour market.

1.4.2. *Unemployment in the Free State Province*

The labour statistics presented in Table 6 outline the characteristics of the unemployed population in the Free State Province. Unemployment decreased by 35 000 people (-7.3%) on a quarter-to-quarter basis, mainly driven by declines among new entrants, job leavers, and individuals classified as “other.” However, year-on-year analysis indicates a 1.8% increase in unemployment, primarily due to rises in the number of job losers and new entrants.

Table 6: Free State Characteristics of the Unemployed

	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
The unemployed	**436**	**479**	**444**	**-35**	**8**	**-7,3**	**1,8**
Job losers	147	159	156	-3	9	-1,7	6,4
Job leavers	17	21	16	-5	-1	-21,7	-5,7
New entrants	155	180	165	-15	10	-8,5	6,5
Re-entrants	3	3	3	1	0	21,7	14,9
Other	114	116	103	-13	-11	-11,1	-9,6

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

Table 7 shows unemployment rates by age group. Of the 444 000 unemployed individuals in the province, 242 000 (54.4%) are under the age of 35. The provincial official unemployment rate stands at 36.2%. Youth aged 15 to 24 years face the highest unemployment rate at 65.1%, followed by those aged 25 to 34 years at 41.4%.

Compared to the previous quarter, the official unemployment rate declined by 2.3 percentage points. This improvement is attributed to decreases in unemployment across several age groups: a 7.3 percentage point drop among youth aged 15 to 24 years, a 5.7 percentage point decline for those aged 25 to 34 years, and a 2.1-percentage-point reduction for individuals aged 45 to 54 years. However, year-on-year results show a 0.2 percentage point increase in the overall unemployment rate, driven by significant increases of 6.5 percentage points in the 35 to 44 years age group and 2.4 percentage points among those aged 45 to 54 years.

Table 7: Free State official Unemployment Rate by Age Group

Age categories	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change
	Per cent			Percentage change	
15-64 years	36,0	38,5	36,2	**-2,3**	**0,2**
15-24 years	66,7	72,4	65,1	-7,3	-1,6
25-34 years	47,0	47,1	41,4	-5,7	-5,6
35-44 years	28,7	32,4	35,2	2,8	6,5
45-54 years	21,3	25,8	23,7	-2,1	2,4
55-64 years	17,4	18,2	16,1	-2,1	-1,3

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

Table 8 indicates that of the 436 000 unemployed people in 2025:Q3, 3 000 had no formal schooling, 16 000 had incomplete primary education, 13 000 had completed primary schooling, and 185 000 had not completed secondary education. Additionally, 41 000 unemployed individuals possessed post-secondary (tertiary) qualifications. Overall, 48.8% of the unemployed population have an education level below secondary completion, while 51.2% hold secondary or higher education.

Table 8: The Highest Level of Education of the Unemployed

Highest level of education	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
The unemployed	**436**	**479**	**444**	**-35**	**8**	**-7,3**	**1,8**
No schooling	4	2	3	1	-1	31,4	-25,7
Less than primary completed	12	18	16	-2	4	-11,1	35,4
Primary completed	16	13	13	-1	-4	-3,9	-23,1
Secondary not completed	183	188	185	-4	1	-1,9	0,8
Secondary completed	168	209	186	-22	19	-10,6	11,1
Tertiary	52	48	39	-8	-13	-17,2	-24,1
Other	1	1	2	1	1	0,0	0,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

Education plays a pivotal role in shaping young people’s prospects in the labour market. It enhances skills development, strengthens adaptability, builds confidence, and expands opportunities for employment and entrepreneurship. Access to quality education, training, and continuous learning significantly boosts the likelihood of securing meaningful and sustainable work.

1.4.3. Youth Not in Education, Employment or Training (NEET)

A portion of young people remain disengaged from both the labour market and the education system—they are not in employment, education, or training (NEET). The NEET rate is therefore a key supplementary indicator for assessing youth labour market challenges.
According to Table 9, the NEET population in the Free State decreased by 7 000 in 2025:Q3, with reductions of 5 000 among women and 2 000 among men. In total, approximately 163 000 youth aged 15 to 24 years were classified as NEET during this period. Data for the 25 to 34 age group is not available at provincial level.
Compared to 2024:Q3, the number of NEETs in the province fell by 3.9%. The 163 000 NEET individuals represent 8.4% of the working-age population, of which 55.1% were female and 93.7% were African.

Table 9: Profile of Youth not in Employment Education or Training (NEET) in Free State

	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
Both sexes	**170**	**171**	**163**	**-7**	**-7**	**-4,4**	**-3,9**
Women	94	95	90	-5	-5	-5,8	-4,8
Men	75	75	73	-2	-2	-2,6	-2,7
Population groups	**170**	**171**	**163**	**-7**	**-7**	**-4,4**	**-3,9**
Black/African	163	161	153	-8	-10	-4,9	-6,0
Coloured	7	4	2	-2	-5	-42,1	-68,9
White	0	6	8	2	8	33,8	0,0

Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

1.4.4. Outside the Labour Force in the Free State Province

As indicated in Table 10, approximately 36.9% of the working-age population in the Free State Province were outside the labour force in 2025:Q3. The leading reasons for non-participation were studying, illness or disability, and homemaking. Students constituted the largest share at 43.1%, followed by individuals who were ill or disabled at 13.9%, and homemakers at 13.1%.

Table 10: Free State characteristics of those Outside the Labour Force

	Jul-Sep 2024	Apr-Jun 2025	Jul-Sep 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
Outside Labour Force	**729**	**698**	**718**	**20**	**-11**	**2,8**	**-1,5**
Student	296	323	309	-14	13	-4,3	4,3
Home-maker	77	81	94	13	16	15,9	21,3
Illness/disability	100	85	99	14	-1	16,3	-0,8
Too old/young to work	71	69	65	-3	-6	-5,1	-8,4
Discouraged work seekers	118	87	90	3	-28	3,7	-23,6
Other	66	53	60	7	-6	13,2	-8,8

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q3)

The number of people outside the labour force increased by 20 000 (2.8%) between 2025:Q2 and 2025:Q3, mainly due to notable increases among those who were ill, homemakers, and individuals classified under “other.” However, when compared to the same period in 2024, the group declined by 11 000 (-1.5%).

1.5 Concluding Remarks

South Africa’s official unemployment rate declined from 33.2% in 2025:Q2 to 31.9% in 2025:Q3. Over this period, employment increased by approximately 248 000 people, while the number of unemployed individuals fell by 360 000. At the same time, the number of people outside the labour force increased by 238 000.

Provincially, the Western Cape recorded the lowest unemployment rate at 19.7%, followed by Limpopo (29.8%) and the Northern Cape (31.2%). In contrast, the Eastern Cape posted the highest unemployment rate at 41.2%, followed by the North-West (38.1%) and the Free State (36.2%).

In the Free State, the number of unemployed people declined by 35 000, from 479 000 to 444 000, while employment increased by 16 000, from 766 000 to 782 000. Consequently, the provincial labour force contracted by 19 000, accompanied by a 35 000 decrease in the number of individuals outside the labour force.

Higher employment coupled with lower unemployment resulted in a 2.3 percentage point reduction in the Free State’s unemployment rate, bringing it to 36.2% in 2025:Q3. Over the same period, the labour force participation rate decreased slightly by 0.1 percentage point to 63.1%, while the absorption rate improved by 0.8 percentage point to 40.2%.

1.6 Policy recommendation

South Africa’s 2025:Q3 labour market performance shows positive momentum, including rising employment and reduced unemployment across several provinces. However, high provincial disparities, low participation rates, and structural constraints persist. Implementing these targeted policy measures can consolidate labour market gains, promote inclusive provincial development, and support sustainable economic recovery.

Stimulate job creation in high-growth sectors across the country

- Higher and more efficient infrastructure investment is essential to unlock faster and more inclusive growth.

- Government is committed to invest in growth-boosting infrastructure and to implement reforms that encourage private investment. This will strengthen public–private partnerships which has strong employment multipliers (National Treasury, 2025).

Enhance skills development and employability

- Scale up industry-aligned training for youth and long-term unemployed persons.
- Strengthen TVET–industry collaboration to reduce skills mismatches.
- Incentivise companies to provide apprenticeships, internships, and learnerships. (Department of Higher Education and Training-DHET)

Boost SMME and informal sector growth

- Improve access to finance and business development support.
- Streamline regulatory processes and reduce administrative burdens.
- Promote local procurement to support township and rural enterprises. (Small Enterprise Development Agency-SEDA)

Strengthen labour force participation

- Provide targeted support for discouraged workers through improved job-matching services and digital labour platforms.
- Expand childcare, safe transport and flexible work arrangements to increase female participation.
- Enhance career guidance through schools, community centres, and public employment services.

Promote inclusive growth in the Free State

- Leverage agriculture, agro-processing, manufacturing, and logistics to drive job creation.
- Strengthen farmer support systems and agro-processing hubs.
- Improve municipal service delivery and infrastructure reliability to attract investment. (DESTEA)

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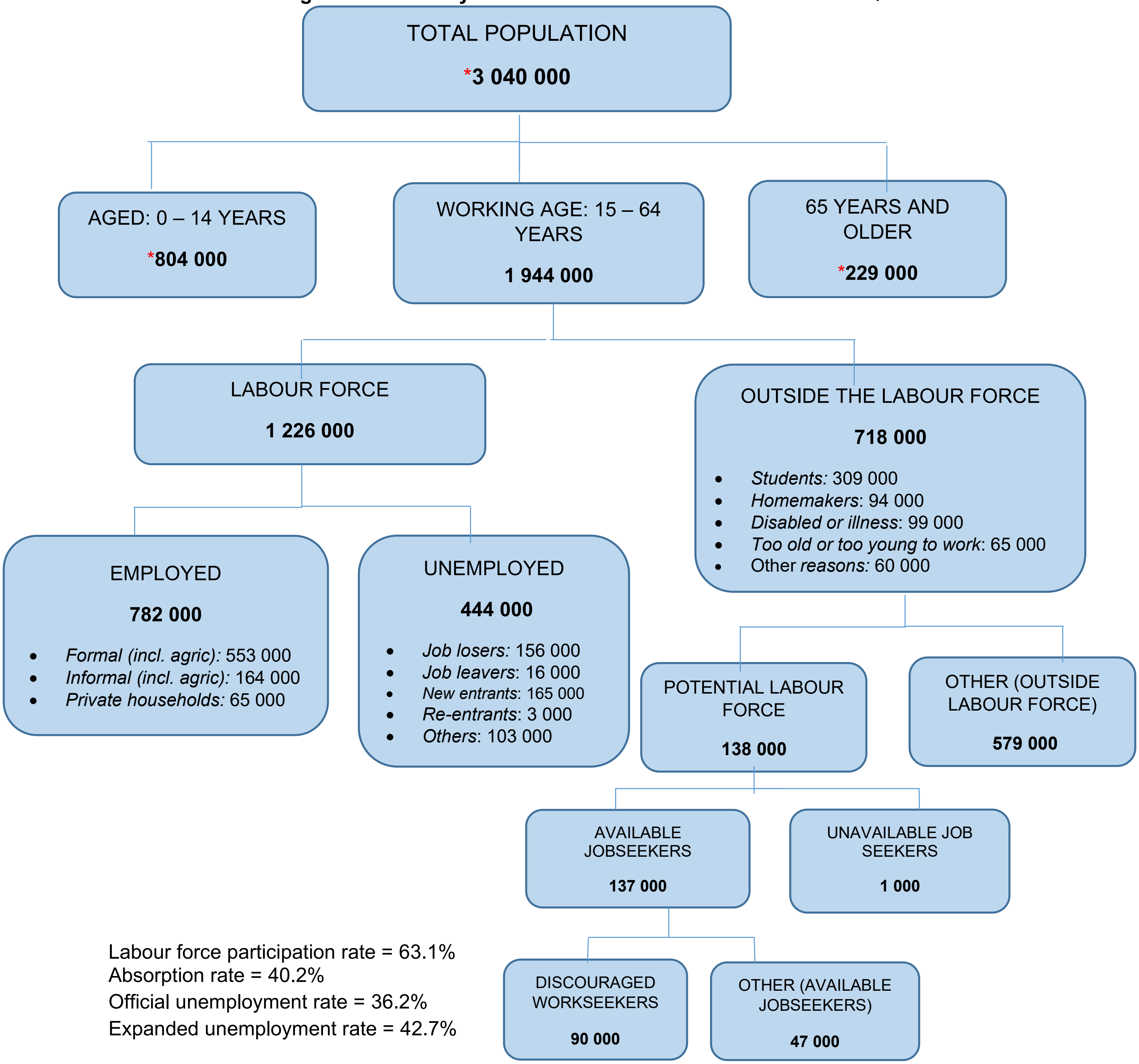
APPENDIX

Diagram 1: Summary of the Free State's labour market - 2025: Q3



Labour force participation rate = 63.1%
Absorption rate = 40.2%
Official unemployment rate = 36.2%
Expanded unemployment rate = 42.7%

Source: Statistics South Africa, Quarterly Labour Force Survey, 2025:Q3

Note: (*) Mid-year population estimates, July 2025 (Note: Mid-year population estimates figures do not correspond to QLFS figures (Working age population