



The pace and strength of the recovery seem to be driven by contrasting developments among G20 economies

- Despite stronger activity reported through the first quarter of 2010, the pace of the recovery appears to have slowed in recent months. GDP growth in the second quarter of 2010 was moderate both in advanced and emerging G20 economies, notably in the U.S, the Euro Area, Japan, China, South Africa, and Brazil.
- Weak private consumption and uncertainty about the impact of fiscal consolidation plans in several advanced G20 economies seem to be constraining the strength of the recovery, whereas stronger domestic demand, trade and commodity prices continued to boost the recovery in emerging economies in Asia, Latin America and Africa. The role of these economies for the recovery has increased substantially as they contribute nearly half of global GDP growth.

The jobs recovery is slowly progressing in G20 economies, but remains mixed and volatile in a number of economic sectors

- Employment expanded slowly in the first semester of 2010. The situation varies, however, from sector to sector and country to country. In the aggregate, construction and manufacturing continued to lose the largest number of jobs, albeit at a slower pace. Employment declined -3.7 and -1.4 per cent, respectively, in the second quarter of 2010 compared to 2009. Jobs in the *construction sector* are struggling to return notably in the U.S., the U.K., and Japan, whereas they continue to recover in Argentina and China. *Manufacturing* labour markets remained troubled particularly in Europe and South Africa during the first half of 2010. Conversely, employment continued to rise in this sector in Turkey, the Republic of Korea, Mexico and Brazil, though at a slower pace.
- The pace of job losses also declined in *transportation, storage & communications* (-1.1 per cent) and *wholesale & retail trade* (-0.9 per cent) in the second quarter of 2010 (year-on-year), signalling that the recovery is slowly progressing in these sectors and that they remain dependent on the volatility observed both in domestic and export markets in the first half of the year. The recovery in wholesale & retail trade seems to be strengthening in Brazil, the Russian Federation and Mexico whereas it remains difficult in Canada, Italy and Australia. Volatility also persists in *financial intermediation* mostly among advanced G20 economies. The industry is still restructuring in the U.S. and in several European countries, particularly the U.K., where employment continued to decline in the first semester of 2010 (year-on-year).
- After showing some resilience, the pace of the recovery has also slowed in *hotels & restaurants*. Employment grew 0.9 per cent in the second quarter of 2010 (year-on-year) compared to 1.2 per cent in the first quarter of the same year. This was particularly observed across European countries, Australia and Mexico. However, the recovery in this sector continued in the U.K, Italy, France and Japan.
- A similarly slowing trend was seen in *education* and *health* in the first half of 2010. Employment grew 0.3 and 2.5 per cent, respectively, in the first quarter of 2010 compared to 0.04 and 2.0 per cent in the second quarter of 2010 (year-on-year). Job gains lost momentum in Italy, France, Canada and Japan in both sectors and deteriorated further in the Russian Federation in the education sector. Some of the employment declines may have resulted from initial measures taken in advanced G20 economies to respond to government fiscal difficulties at either national or local levels. Nonetheless, the health sector has by far been the most active in adding jobs during the economic slowdown both in advanced and emerging G20 economies.
- On aggregate, employment levels in *public administration* remained positive (0.4 per cent) in the second quarter of 2010 (year-on-year), despite announced austerity measures in a number of developed economies. Nevertheless, employment began to slow down in the Russian Federation, Germany and Canada and continued to decline in the U.K. over the same period. In contrast, jobs continued to climb in this sector in Australia, Mexico and the U.S. In the latter, however, public jobs were temporary due to hiring needs for the 2010 census.
- *Agriculture* and *mining* remained resilient among G20 economies. Employment rose 2.2 and 0.1 per cent, respectively, in the second quarter of 2010 compared to 2009. Labour markets responded positively in both sectors in Australia. In contrast, the recovery in agriculture seems to be struggling in South Africa and China.





SECTORAL RECOVERY AT HAND: G20 EMPLOYMENT SITUATION BY ECONOMIC ACTIVITY, FIRST SEMESTER 2010



	Agriculture	Hotels & Restaurants	Construction	Financial Intermediation	Manufacturing	Mining	Transport, Storage & Comm.	Wholesale & Retail Trade	Real Estate, Renting & Business Services	Public Admin.	Utilities	Education	Health
Advanced Economies													
Australia	●	●	●	●	●	●	●	●	●	●	●	●	●
Canada		●	●	●	●	●	●	●	●	●	●	●	●
EU-27	●	●	●	●	●	●	●	●	●	●	●	●	●
France	●	●	●	●	●	●	●	●	●	●	●	●	●
Germany	●	●	●	●	●	●	●	●	●	●	●	●	●
Italy	●	●	●	●	●	●	●	●	●	●	●	●	●
Japan	●	●	●	●	●	●	●	●	●	●	●	●	●
Republic of Korea	●				●								
Saudi Arabia*	●	●	●	●	●	●	●	●	●	●		●	●
United Kingdom	●	●	●	●	●	●	●	●	●	●	●	●	●
United States		●	●	●	●	●	●	●	●	●	●	●	●
Emerging Economies													
Argentina		●	●	●	●		●	●		●	●	●	●
Brazil			●	●	●			●		●	●	●	●
China*	●		●	●	●	●	●			●	●	●	●
Mexico	●	●	●	●	●		●	●		●		●	●
Indonesia*	●	●	●	●	●	●	●	●		●	●	●	●
Russia	●	●	●	●	●	●	●	●	●	●	●	●	●
South Africa	●		●	●	●	●	●	●		●	●	●	●
Turkey	●		●		●	●	●				●		
India**			●	●	●	●	●	●	●	●	●	●	●

*Data for China and Saudi Arabia reflect official annual figures through 2009 and data for Indonesia reflect figures through August 2009.

**Sectoral classifications for India are based on official quarterly Rapid Assessment Surveys.

- Employment trend continued to decline consistently over the last two quarters
- Declining overall employment trend with inconsistent change over the last quarter*

- Rising overall employment trend with inconsistent change over the last quarter*
- Employment trend continued to rise consistently over the last two quarters

*Inconsistent change reflects an increase, staaation or decline