



# **SPECIFICATIONS - ECONOMIC PROFILE OF THE SERVICES SECTOR INDUSTRIES**

## 1. BACKGROUND AND CONTEXT

The Services Sector Education and Training Authority (SSETA) was established and registered in March 2000 in terms of the Skills Development Act of 1998. The Services SETA aims to provide for the skills development needs of the services sector through the bursary awards and implementation of learnerships, disbursement of grants and monitoring of education and training.

The SDA directs that SETAs must, among other functions: “develop a sector skills plan within the framework of the national skills development strategy”. In fulfilling this primary function, the Services SETA must have full understanding of the sector it is servicing by conducting a rigorous research that looks at the characteristics of its economy in terms of contribution to the GDP, import and export, regulatory framework within the sector, skills needs of the sector to facilitate growth, and contribution to transformation. It within this context and background that the Services SETA seeks to commission this research.

## 2. THE SCOPE OF COVERAGE

As demarcated by the Minister of Higher Education and Training, the Services SETA’s scope comprise 68 Standard Industrial Classification (SIC) codes. For operational purposes, the Services SETA grouped these SIC codes into 16 subsectors and six chambers as illustrated below.

**Table 1: Services SETA Standard Industry Classifications Codes**

SIC Code	Industries	Subsector	Chamber
86025	Office Machinery, Equipment and Rental Leasing	Hiring Services Subsector	Cleaning and Hiring Services Chamber
50500	Renting of Construction or Demolition Equipment with Operators		
85000	Renting Of Machinery and Equipment, Without Operator and Of Personal and Household		
85200	Renting of Other Machinery and Equipment		
85300	Renting of Personal and Household Goods N.E.C		
99029	Function and Catering Equipment Hire		
99035	Miscellaneous Item Hire		
99036	Truck Hire		
99037	Video Hire		
99052	Truck and Plant Hire		
99025	Dry Cleaning and Laundering	Household Services Subsector	
99026	Garden Maintenance Services	Domestic Services Subsector	
99027	Domestic Services		
99002	General Cleaning		

SIC Code	Industries	Subsector	Chamber
99018	Cleaning of Carpet and Upholstery	Cleaning & Hiring Subsector	
99047	Pet Care		
99019	Cleaning Equipment and Consumable Supply		
9001	Marketing Services	Marketing Services Subsector	Communication and Marketing Services Chamber
9002	Marketing Communications (Inc. Public Relations)		
9008	Direct Marketing		
88130	Market Research and Public Opinion Polling		
99038	Brand Marketers	Contact Centre Service Subsector	
99055	Call Centre Management of People		
75110	National Postal Activities	Postal Services Subsector	
75111	Banking Via Post Office		
75121	Mail Handling		
88918	Permanent Employment Agencies	Labour Recruitment Services Subsector	Labour and Collective Services Chamber
88910	Labour Recruitment and Provision of Staff		
88916	Private Employment Agencies and Temporary Employment Services		
99045	Personnel Services Agencies		
88917	Temporary Employment Services	Collective Services Subsector	
95120	Activities of Professional Organisations		
95155	Professional Bodies N.E.C.		
95991	Bargaining Councils and Dispute Resolution		
95992	Associations, Federations and Umbrella Bodies	Business Services Subsector	Management and Business Services Chamber
61421	Import and Export of Various Metals		
88141	General Consulting Services		
96490	Other Recreational Activities		
99000	Other Service Activities		
99014	Quality Management and Related Services		
99016	NGO Management and Services		
99015	Non-Financial Business Management and Management Consulting		
99090	Other Service Activities N.E.C		
99039	Generic Project Management	Project Management Services Subsector	
99056	Event And Conference Management Excluding the Operation of Convention Centres		
99022	Ladies Hair Dressing	Haircare Services Subsector	
99023	Men's and Ladies Hairdressing		
99024	Beauty Treatment	Beauty Treatment Services Subsector	Personal Care Services Chamber
99041	Nail Technology, including Nail Technologists, Nail Technicians and Distributors and Agencies of Nail Products		
99042	Non-Allied Registered Perfumery Including Aromatic Oils and Related Products, Perfumery Consultants, Salespeople and Agencies of Nail Products		
99043	Health And Skin Care Inc. Health and Skin Care Therapists, Stress Therapists and Cosmetologists,		

SIC Code	Industries	Subsector	Chamber
	Slimming Salons, and Distributors of Slimming Products		
99044	Make-Up Artistry		
99050	Distributors of Slimming Products, Including Slimming Machines		
99051	Distributors of Makeup Products and Related Merchandise		
34260	Cutting, Shaping and Finishing of Stone	Funeral Services Subsector	Real Estate and Related Services Chamber
99030	Funeral and Related Activities		
99033	Coffin Making by Funeral Enterprises		
99034	Manufacture of Funeral and Tombstone		
99046	Modelling Agencies	Fashion Services Subsector	
99054	Fashion Design Not Related to Clothing		
50411	Decorating Business/Interior Designers and Decorators	Real Estate Services Subsector	
84000	Real Estate Activities		
84100	Real Estate Activities with Own or Leased Properties		
84200	Real Estate Duties on a Fee or Contract Basis		
84201	Real Estate Valuation Services		
84202	Property Management Services		
84203	Estate Agencies		
99053	Valuers		

Source: DHET (2019)

Since its establishment, the Services SETA's economic data faced two critical challenges. Firstly, the demarcation of SETAs by DHET cuts across several Sections of the International Standard Industrial Classification of All Economic Activities – see Table 2 for examples of classification of industries and economic activities.

**Table 2: International Standard Industrial Classification of All Economic Activities**

Section	Divisions	Description
A	01-03	Agriculture, forestry and fishing
B	05-09	Mining and quarrying
C	10–33	Manufacturing
D	35	Electricity, gas, steam and air conditioning supply
E	36-39	Water supply; sewerage, waste management and remediation activities
F	42-43	Construction
G	45-47	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	49-53	Transportation and storage
I	55-56	Accommodation and food service activities
J	58-63	Information and communication

Section	Divisions	Description
K	64-63	Financial and insurance activities
L	68	Real estate activities
M	67-75	Professional, scientific and technical activities
N	77-82	Administrative and support service activities
O	84	Public administration and defence; compulsory social security
P	85	Education
Q	86-88	Human health and social work activities
R	90-93	Arts, entertainment and recreation
S	94-96	Other service activities
T	97-98	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
U	99	Activities of extraterritorial organizations and bodies

UNESCO (2012)

In addition, the Services SETA scope straddles secondary and tertiary economic classifications. This classification requires detailed investigation and analysis of services sector economic activities at the lowest digit level to fully comprehend the size of services sector's economy in relation to contribution to GDP, employment and transformation.

The second challenge is that the demarcation of the Services SETA's scope is not aligned with the latest version of the *International Standard Industrial Classification of All Economic Activities* used by both the Stats SA and UNESCO's. This misalignment makes it difficult to compare Services SETA's service sector economic performance with national and international norms and standards.

These challenges require the Services SETA to constantly conduct detailed research into each industry or subsector to gain deeper understanding of each industry's performance.

### 3. RATIONALE FOR THE STUDY

As demonstrated above, the demarcation of Services SETA's SIC codes makes it difficult to meaningfully cluster SIC and chambers. The type of economic data collected by the Stats SA (i) is not aligned with the Services SETA demarcation and (ii) does not collect sufficient information at the lowest level of economic activities. Furthermore, the services sector comprises of a large number of small businesses, some informal. Economic data of these types of businesses ventures is not sufficiently covered by the Stats SA. – often requiring a focussed research activities to glean detailed insights.

It is, therefore, very important for the Services SETA to continuously conduct detailed research of the sector to assist with the development of a responsive sector skills plan and the design and implementation of relevant skills development interventions.

#### **4. OBJECTIVE OF THE STUDY**

The objectives of the study are to:

1. Investigate the size of the services sector in terms of contribution to the:
  - a) Growth Domestic Product
  - b) Export and import
  - c) Employment
2. Analysis of regulatory framework and how affects each subsector
3. Contribution to economic transformation by promoting participation of:
  - a) Blacks Women
  - b) Youth
  - c) People with disabilities
  - d) Skills development opportunities for people living in rural areas
4. A detailed mapping of key Services SETA stakeholders and their needs
5. Explore quality management and standardisation ecosystem within the services sector.
6. The nature and extent of skills demand and supply within the services sector.

#### **5. RESEARCH QUESTIONS**

The following research questions should guide the research study:

- a) What is the size and shape of the sector?
- b) What is the contribution of the sector to the economy?
- c) What is the nature of the legal and regulatory framework governing the sector?
- d) What is the status of the quality management and standardisation ecosystem?
- e) What are the constraints and future opportunities to transform the sector?
- f) What is the role of the Services SETA and other key players in the sector?
- g) What are the critical success factors to transform the sector?

## **6. RESEARCH METHODOLOGY**

The research project includes the following research activities:

- a) Analysis of economic data from available databases – national and international
- b) Analysis of employment data from available databases – national and international
- c) Interviews with industry experts
- d) Interviews with skills policy makers
- e) Interviews with skills development practitioners
- f) Survey among employers
- g) Consultation with management

## **7. SCOPE OF THE STUDY**

The research study to cover all Services seta 6 chambers, 16 subsectors and associated SIC codes.

## **8. DELIVERABLES**

- a) A Business Plan which will serve as a basis of the contract between Services SETA and the service provider
- b) Monthly progress reports
- c) Findings, analysis and implications from the Policy review
- d) Findings, analysis and implications from the Literature review
- e) Findings from analysis of enrolment, examination data, information from SETAS, SAQA, DHET, etc.
- f) Data collection instruments and other tools
- g) Findings from site visits and interviews
- h) Technical or process reports, e.g. fieldwork reports
- i) Draft research report
- j) Two stakeholder workshops reports
- k) Presentations to relevant structures within the DHET, as and when it is required
- l) Final edited research report
- m) An abstract of approximately 450 words
- n) A summary report (3-5 pages)

- o) Submission of all datasets, metadata and survey documentation including questionnaires, interview transcripts.
- p) PowerPoint or audio-visual presentations of the research study.

## **9. BUDGET FOR THE RESEARCH STUDY**

The total cost for the research project should be aligned with the deliverables (section 9) above.

## **10. DURATION OF THE STUDY**

**July 2026 – January 2027**