

12 June 2025

Monthly mining production continued to recover in April 2025

Mining production recorded a slight increase of 0.6% month-on-month (m-o-m) in April 2025. This follows a larger uptick of 3.6% in March.

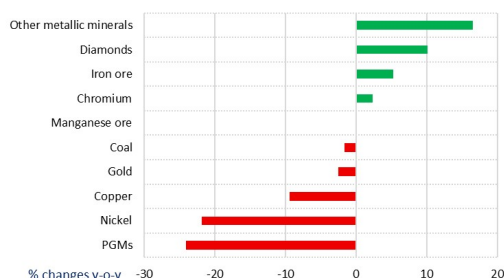
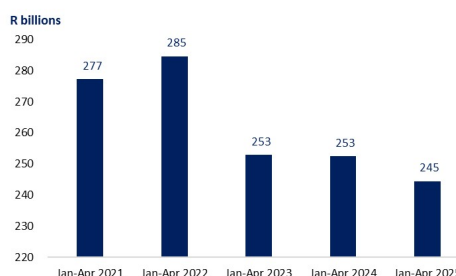
In terms of the individual commodities, except for coal production (+4% m-o-m) there were contractions in bulk commodities, including iron ore (-2.8%) manganese (-7.5%), chrome (-4.2%), as well as the base metals, namely nickel (-23.3%) and copper (-16.5%). On the other hand, the production performance of the precious metals was mixed with gold (+9.1%) and diamonds (+0.2%) increasing while the platinum group metals (PGMs) (-0.4%) contracted. The decline in nickel production was particularly steep, probably because currently supply exceeds demand. This is expected to be the case in 2025. In South Africa nickel is mostly derived from PGM mines.

Quarter-on-quarter (q-o-q), assuming that the level of production in May and June remains at comparable levels to that of April 2025, Q2 2025 production looks set to increase by 1.6%. If realised, that would be a notable improvement given the large Q1 2025 decline of 4.1%.

Year-on-year (y-o-y) total mining production declined by a steep 7.7% in April 2025. This was the fourth consecutive decline in production volumes (y-o-y). Accounting for the decline was a drop in production of the major commodities, including the PGMs (-24.1%), coal (-1.7%), and gold (-2.5%), which together account for over 60% of mining production in South Africa. Significant declines were also recorded in nickel (21.9%) and copper (-9.5%). Iron ore (+5.3%), chrome (+2.3%), and diamonds (+10.1%) all registered growth in April production (y-o-y). (Figure 1 depicts production volumes performance of the various subcomponents.)

In the first four months of 2025 (year-to-date, January to April), production was down by 5.4% compared to the same period last year.

Minerals sales earnings (nominal) were slightly up by 0.7% (y-o-y) in April 2025, driven by an increased sales value of gold (+57.6%), copper (+37.7%) and manganese (+66.6%). Sales earnings (y-o-y) in all the other subcomponents took a hit, viz.: PGMs (-20.1%), iron ore (-25.9%), nickel (-30.3%), coal (-5.4%) and chrome (-2.2%). (Figure 2 shows the nominal sales performance of the various commodities.)

Figure 1: Production - Mining subsectors (Apr '25)

Figure 2: Total mineral sales


Source: Statistics South Africa

In April 2025 total mineral sales registered R68.1 billion compared to R62.9 billion the previous month. Gold sales accounted for more than R7.2 billion of the difference in total sales.

Bottom line: In the short-term, commodity prices present a mixed bag. Precious metals prices seem to be positive and might just be what is needed to spur production. Gold prices continue to be at elevated levels, up 38.1% (\$3 222/oz) in April 2025 (y-o-y), whilst platinum was marginally higher at 1.9% (\$1 021/oz). Among the major commodities, the prices of coal (-16.8%), iron ore (-10.1%) and palladium (-7.1%) were down in April (y-o-y). Looming large, of course, is the US trade policy, mainly the introduction and hiking of tariffs on virtually all countries exporting to the US.

Domestically, ongoing challenges that affect the sector's global competitiveness include double-digit electricity tariff escalation which has constrained deep-level mining and local beneficiation, as well as inefficient rail and port logistics.

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