

11 September 2025

Mining production increases by 1% in July 2025

The July mining production numbers were published two days after the GDP figures were released indicating that the economy grew by 0.8% quarter-on-quarter (in real terms, q-o-q). Leading the increase in GDP was the mining sector which grew by 3.7% (q-o-q) and contributed 0.2 percentage points to Q2 2025 economic growth. Mining production increased by 1% in July 2025 and this is the fifth consecutive month that production went up (m-o-m). Year-on-year (y-o-y), it is also good news because July is the third consecutive month that production increased. It soared by 4.4% compared to twelve months ago.

The month-on-month (m-o-m) mining production increase was supported by growth in gold (+0.9%), iron ore (+5.1%), copper (+4%), and manganese (+8.9%). However, production in chrome (-1.7%), PGMs (-0.3%), nickel (-23.8%), diamonds (-2.3%), and coal (-1.3%) recorded declines.

On a y-o-y basis, increases in production were recorded in iron ore (+12.2%), chrome (+1.8%), the PGMs (+6.2%), diamonds (+5.9%), and coal (+1.4%). On the other hand, gold (-0.4%), copper (-6.7%), manganese (-3.3%), and nickel (-8.7%) all contracted in July.

The positive m-o-m performance in mining production can be divided into two - domestic and global factors. On the domestic front, significantly reduced loadshedding due to Eskom's improved power supply stability allowed mines to operate closer to full capacity, especially in energy-intensive sectors like platinum and gold. The normalisation of the weather was another factor, considering that it disrupted production in March and April this year.

On the global front there were at least three factors that explain the July production performance. First, it is continued strong demand from China and India, particularly for industrial and automotive applications. Second, global buyers ramped up inventories in anticipation of US tariffs coming into effect. The third reason relates to the structural supply deficit of the PGMs, especially platinum. The platinum deficit is expected to be almost 1 million ounces in 2025.

Given the July growth number (m-o-m) the mining sector is projected to increase by approximately 1% in Q3 2025. On a q-o-q basis, mining production increased by 4.2% in Q2 2025.

Year-to-date (January to July) mining production declined by 1.9% in 2025 compared to the same period in 2024.

A look at the price performance (y-o-y) of selected commodities as captured in Table 1 shows that gold and the PGMs had the biggest gains.

Table 1: Price and production movements in July 2025 (y-o-y)

Commodity	July 2025 movements (y-o-y)	
	Price	Production
Platinum	41.7% (\$1 391/oz)	PGMs: 6.2%
Palladium	24.6% (\$1 197/oz)	
Rhodium	28.1% (\$5 924/oz)	
Gold	39.6% (\$3 342/oz)	0.4%
Coal	10.1% (\$95.4/t)	1.4%
Iron ore	5.7% (\$101.2/t)	12.2%
Copper	4.1% (\$9 771/t)	6.7%

Source: Bureau of Economic Research (BER), Statistics South Africa, Minerals Council

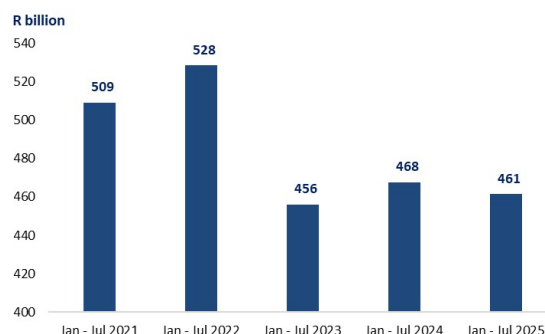
Note: Green/red colour respectively indicates increase/decrease

After declining 14.2% in June 2025 (y-o-y) total mineral sales increased slightly by 2.2% to record R73.4 billion in July. PGMs (+24.8%), iron ore (+20.5%) and copper (+19.7%) led the commodities that registered stellar increases in y-o-y. Sales earnings in gold (-8.7%), manganese (-30.9%), nickel (-15.5%), coal (-1.1%) all declined. Figure 2 shows total mineral sales year-to-date (January to July) dropped by R6.2 billion – R467.7 billion compared to R461.5 billion – when comparing 2024 to 2025.

Figure 1: Mining production subsectors (Jul '25)



Figure 2: Total mineral sales



Source: Statistics South Africa

Bottom line: The positive mining production numbers (m-o-m and y-o-y) are encouraging albeit still lower than the 2019 level (pre-COVID). With a diverse minerology and mining expertise the country possesses significant potential. The reforms in the electricity supply industry and the rail sector are a start to further tap on this potential policy and regulatory constraints including incentivising exploration should follow.

Yours sincerely

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