

13 March 2026

## January 2026: Mining production grew by 4.6% amid global uncertainty

January 2026 marked a surprising resilience in South Africa's mining sector, with overall production rising 4.6% year-on-year (y-o-y, unadjusted) despite severe flooding in Mpumalanga and Limpopo during the month. This follows a 2.8% (y-o-y) increase in December 2025.

Commodities that recorded y-o-y growth include (Figure 1):

- The increase in **chromium (+37.3%)** and **manganese (+12.5%)** production was ironic given the structural developments in the Chinese steel production industry (see below). Likely China is keeping high stock levels of these minerals given the uncertain global environment, especially US tariffs.
- **Platinum group metals (PGMs) (+10.8%)**: Increase in PGMs production is mainly a base effect. Before May 2025 PGMs' prices were subdued and production was low.
- **Gold (+0.7%)**: Although structurally gold production in South Africa is on the decline, high prices ensure that mines will do their best to optimise production.
- **Diamonds (+4.2%)**: Diamond mining saw modest growth, supported by steady demand in luxury markets and investment in sustainable mining practices. There has been a slight recovery of the jewellery market in the US, the world's largest diamond jewellery market.

Key commodities with y-o-y declines:

- **Coal (-0.7%)**: Decline linked to weak demand for thermal coal amid global energy transition policies, compounded by operational challenges and reduced exports.
- **Iron ore (-1.9%)**: The decline in production comes despite one of the country's major producers reporting a 6% improvement in ore volumes railed for the six months to December 2025. Perhaps the most pertinent and structural development which has a bearing on domestic iron ore production was that China's steel production contracted by more than 4% in 2025.
- **Other non-metallic minerals (-21.7%)**: Sharp decline due to reduced demand for industrial minerals (such as limestone and phosphate) as construction activity slowed and the sector shifted focus toward critical minerals.

In January 2026 mineral sales (current prices) rose sharply by 31.7% y-o-y to R82 billion (Figure 2). The most significant positive contributors to overall mineral sales were:

- PGMs (+122.4% to R26 billion)
- Gold (+35.9% to R19.7 billion)
- Chromium ore (+66.7% to R5.2 billion)
- Manganese ore (+11.2% to R3.6 billion)

Figure 1: January 2026 mining production per industry

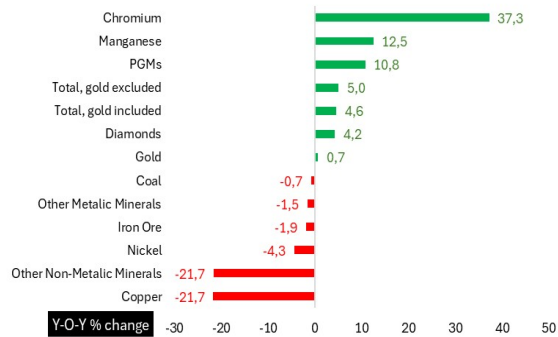
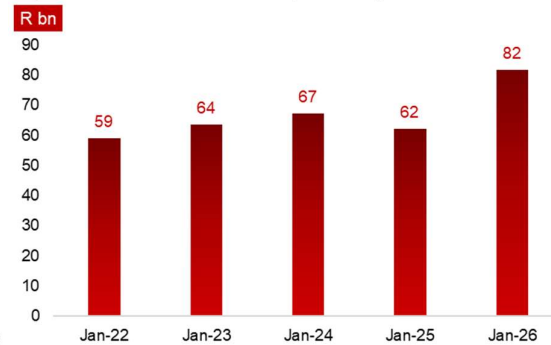


Figure 2: Total mineral sales (Jan-Nov)



Source: Statistics South Africa, Minerals Council

Sales earnings declined y-o-y for:

- Iron ore (-11.9% to R6.7 billion)
- Coal (-10.3% to R15.1 billion)

Commodity prices for precious metals also strengthened notably in January 2026, especially for rhodium, further supporting the strong sales performance in these segments.

- Gold: **+74.3%** (\$4 720/oz)
- Platinum: **+154.8%** (\$2 414/oz)
- Palladium: **+93.5%** (\$1 841/oz)
- Rhodium: **+116.8%** (\$10 073/oz)

Coal prices declined by 12.5% (y-o-y) to \$88.4/t while iron ore prices increased by 3.5% (y-o-y) to \$107.5/t.

**Bottom line and looking ahead:** While South Africa's mining sector demonstrated resilience and capitalised on buoyant precious metal prices, the broader global outlook is clouded by geopolitical risks. The recent U.S.-Israel attack on Iran has heightened fears of supply chain disruptions, energy price volatility, and financial market instability. These tensions amplify risks for the global economy, where commodity markets are already navigating structural transitions toward critical minerals. In this context, South Africa's mining gains are both a testament to sectoral strength and a reminder of the fragility of global economic stability.

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