MINERALS COUNCIL
SOUTH AFRICA

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Mining production increases by 0.2% in June 2025

Mining production saw a marginal month-on-month increase of 0.2% in June 2025, based on seasonally adjusted data. This followed an increase of 3.9% in May. In terms of the individual commodities, coal production (m-o-m, +3.4%), manganese (+3.2%), chrome (+2.4%), diamonds (+1.1%) as well as the platinum group metals (PGMs) (+3.5%) all saw increases compared to May. A decline in production was registered in nickel (-5.9%), copper (-14.3%), iron ore (-9.9%), and gold (-2.5%).

On a quarter-on-quarter (q-o-q) basis, mining production is expected to increase by 3.9% in Q2 2025, reflecting a notable improvement in output over the previous quarter. Of course this is mainly a base effect, noting that in Q1 2025 mining production contracted by 4.1%.

Year-on-year (y-o-y) total mining production increased by 2.4% in June 2025. Accounting for the increase in production were PGMs (+3%%), coal (+3.7%), gold (+3.1%) chrome (+9%), diamonds (+3.7%) and nickel (+14.5%). A drop in production was observed in copper (-33.7%), iron ore (-1.7%) and manganese (-7.7%). (Figure 1 depicts the production performance of the various commodities.)

In the first half of 2025, year-to-date mining production declined by 3% compared to the same period in the previous year. Unless there is a significant improvement in operating conditions and a strong recovery in commodity prices that boost production by a significant margin, the sector's production growth outlook for the 2025 calendar year remains weak and unpromising.

Total mineral sales dropped to R67.3 billion in June 2025 from R76.8 billion the previous month, representing a 12.4% decline. On a y-o-y basis total mineral sales declined by 14.4% with gold minerals sales leading the decline with a drop in sales of 53.7% to R9.2 billion. This was a surprise considering that on a y-oy basis the gold price was 44% higher in June 2025 compared to twelve months prior. (Figure 2 shows total mineral sales year-to-date since 2021.)

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

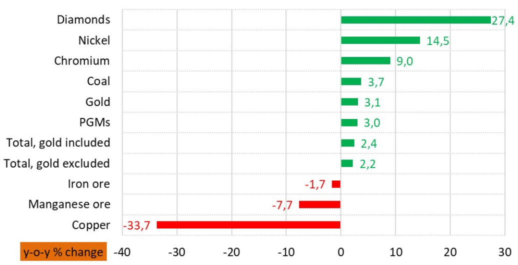
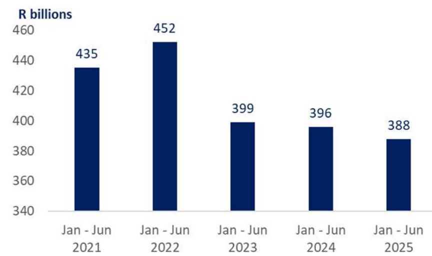


Figure 2: Total mineral sales



Source: Statistics South Africa

The mineral sales performance (y-o-y) of the major commodities were as follows: PGM (+23.4% to R18.4 billion in June), iron ore (+0.7% to R7 billion), gold (-53.7% to R9.2 billion), nickel (-36.4% to R785 million), manganese (-33.7% to R4.2 billion), copper (-31.7% to R566.7 million), chrome (-13.9% to R5.1 billion), and coal (-5.5% to R16.6 billion).

Bottom line: United States (US) tariffs continue to be the elephant in the room, and it is increasingly used as a foreign policy instrument. Thus far, based on exemptions published by the White House in April, South African iron ore and diamond exports to the US will be directly affected by current tariffs. That said, there are also going to be indirect effects.

The direct impact will be minimal. With iron ore, the US market is about 0.2% of South Africa's total iron ore exports (volumes). It is also about 0.2% of total mineral export sales from South Africa. In terms of export earnings, South Africa exported R184 million worth of iron ore to the US in 2024. In terms of natural rough diamond exports (carats) to the US, South Africa exported approximately 0.2% of total diamond exports. In earnings, that represented 4.7% of our total natural rough diamond exports (or R1.5 billion).

The indirect impact is significantly more difficult to quantify. The tariffs imposed by the US on key South African trading partners—including China, the European Union, and India—along with any retaliatory measures they may adopt, will largely influence the demand for South African mineral exports.

Yours sincerely

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