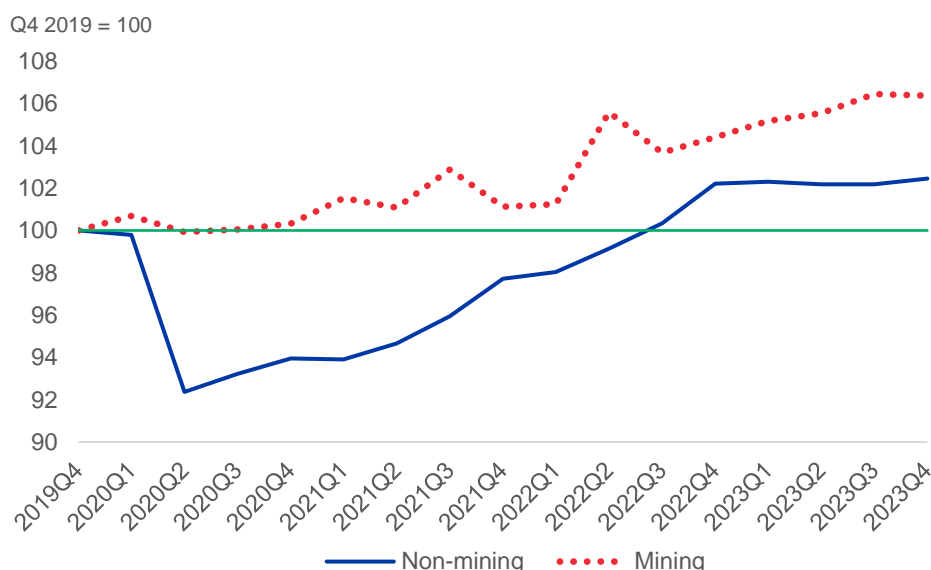


## Mining employment down by less than feared in Q4 2023

Following four quarters of uninterrupted increases in formal sector mining employment, Stats SA's latest Quarterly Employment Statistics showed a slight decline of 1 000 (-0.1%) quarter-on-quarter in Q4 2023. This brought the number of people employed in the mining sector down to 481,307. These figures indicate that the extent of job losses in mining was less severe than feared in late-2023.

Despite the Q4 decline, the mining sector still added 9 758 (+2.1%) jobs for the entire 2023. Employment in the non-mining<sup>1</sup> part of the economy increased by a faster rate of 3.1% in 2023 as the recovery from the COVID-19-induced crash in 2020 continued. Figure 1 illustrates that the mining sector did not experience nearly the magnitude of job losses suffered in many other parts of the economy during 2020. This explains why the level of mining employment was 6.4% higher in Q4 2023 than the pre-COVID level in Q4 2019, vastly outpacing the non-mining (excluding agriculture) sectors where employment was 'only' 2.5% above the pre-COVID level in the final quarter of 2023.

Figure 1: Mining sector employment remained resilient in 2023



Source: Stats SA, Minerals Council

**Outlook:** The key question is whether the fairly benign mining sector retrenchments in Q4 was merely the calm before the storm. Based on recent announcements from the PGM sector in particular, *the rate of job losses is likely to pick up in the first half of 2024*. Beyond the near term, the state of mining sector employment will depend on:

- Whether we continue to see less **Eskom load-curtailement**.
- The operational performance of **Transnet freight rail**, as well as the ports. Recent indications from the industry are that, if anything, rail volumes of coal have deteriorated further. In the chrome sector, there has been some improvement on the North Corridor. However, criminal activity has now spread to the North-East Corridor (the Maputo line), adversely impacting deliveries on a line that performed well in 2023. There is also still a lot of work to do to improve efficiencies at the Transnet-run port in Richards Bay.

<sup>1</sup> These figures exclude the agricultural sector.

- **Commodity price** trends. While very uncertain, a combination of lower global policy interest rates in the second half of the year, along with a stimulus-fueled recovery in Chinese industrial activity, should see some stabilisation in South Africa's major export commodity prices.

**Hugo Pienaar**

**Chief Economist**

Cell: +27 (0)83-387-1150

Email: [hpienaar@mineralscouncil.org.za](mailto:hpienaar@mineralscouncil.org.za)

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