MINERALS COUNCIL
SOUTH AFRICA

11 December 2025

October: Mining production rose by 5.8% year-on-year, while year-to-date sales earnings were up by R27 billion

South Africa's mining sector posted a solid **year-on-year (y-o-y)** performance in October 2025, with strong gains in bulk ores offsetting weakness in precious stones and coal. Overall growth was driven by iron ore, manganese, and chromium, while gold, coal, and diamonds weighed on the aggregate index. Total mining production increased by 5.8% y-o-y. Accounting for the increase were the following commodities:

- Iron ore (**+24.8%,** contributing 2.9 percentage points)
- Platinum group metals (PGMs) (**+3.9%,** contributing 1.1 percentage points)
- Chromium ore (**+14.1%,** contributing 0.8 of a percentage point)
- Manganese ore (**+15.1%,** contributing one percentage point)

Robust demand from Asian steelmakers, particularly China, supported higher **iron ore** export volumes, driven by improved rail and port logistics that enabled producers to move larger shipments.

The stabilisation in automotive demand for catalytic converters, especially in hybrid vehicles, boosted demand for **PGMs**. Operationally, ongoing investment in mechanised shafts in PGMs mining improved efficiency and filtered into the production increase.

Chromium ore and **manganese ore** benefited from rising stainless steel production globally, which lifted demand for ferrochrome and ferromanganese inputs. Global steel production, especially from China, continues to face headwinds emanating from the country's trade tensions with the US.

Weighing down the y-o-y growth number were:

- Gold (**-1.2%,** taking off 0.1 of a percentage point)
- Coal (**-0.6%,** taking off 0.2 of a percentage point)
- Diamonds (**-13.2%,** taking off 0.3 of a percentage point)

Declining ore grades at mature mines continue to constrain **gold** production even as prices are at record highs. Investor demand for gold remained steady, but physical production lagged. The opening of West Wits Gold Mine, south of Johannesburg, the first in since 2009, is positive for the mining sector as well as the country. Additionally, the mine (Qala Shallows) is a low-cost production operation.

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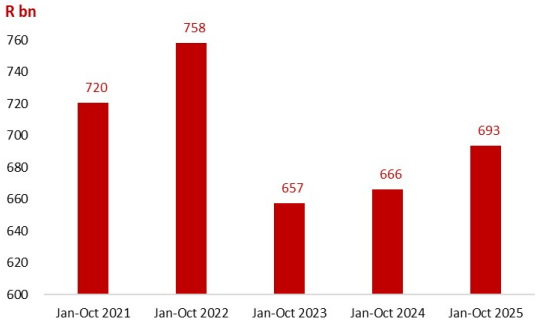
The two principal sources of demand for **coal** are power generation and exports, which anchor domestic production. Domestic coal-power station demand remained stable, but limited rail and port capacity continued to constrain export volumes, thereby throttling production. As things stand, production is still below 2019 levels.

Global **diamond** demand softened amid weaker luxury goods spending in key markets. In recent years oversupply from other producers, including lab-grown diamonds, pressured prices.

Figure 1 presents the y-o-y performance of the individual commodities.

Figure 1: Mining production subsectors (Oct '25)

Figure 2: Total mineral sales (Jan-Oct)



Source: Statistics South Africa, Minerals Council

Year-to-date (January to October) **mineral sales** in 2025 are up by R27 billion compared to the previous year: R693 billion compared to R666 billion (**Figure 2**). This represents a 4.1% increase. The increase was led by:

- PGMs: **+50.6%** y-o-y, with sales of R23.5 billion in October.
- Chromium ore: **+37.2%** y-o-y, with sales amounting to R6.8 billion.
- Manganese ore: **+14.9%** y-o-y, with sales of R3.6 billion.

In terms of **price performance** in October, gold was **50.8%** higher y-o-y at $4,055/oz, followed by platinum (**+61.9%** at $1,618/oz), palladium (**+32.9%** at $1,421/oz), and rhodium (**+60.3%** at $7,585/oz). In contrast, coal prices declined by **26.3%** to $82.3/t, while iron ore rose by **0.2%** to $106.9/t.

Bottom line: October 2025 underscored the two-speed nature of South Africa's mining sector: bulk ores (iron, manganese, chromium) are thriving on strong global industrial demand and improved logistics, while traditional pillars such as gold, coal, and diamonds continue to face structural and market headwinds. The sector's resilience lies in leveraging the momentum of bulk commodities, but long-term sustainability will require addressing persistent constraints in energy minerals and precious stones. Overall, the production numbers indicate that the sector is still performing at below 2019 levels.

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