

15 May 2026

March 2026 mining sector performance: Growth amid fuel supply and costs risks

Mining production rose by 2.5% year-on-year (y-o-y) in March 2026. While output remained in positive territory, the pace of expansion slowed compared to January (4.6%) and February (9.7%). The following industries accounted for the March increase:

- **PGMs (+10.5%**, contributing 2.6 percentage points): Production was supported by operational stability compared to a year earlier and a base effect from recovering demand for internal combustion engine (ICE) vehicles.
- **Gold (+17.1%**, contributing 1.6 percentage points): Heightened geopolitical uncertainty reinforced gold's role as a safe-haven investment.
- **Manganese (+14.4%**, contributing 1.1 percentage points): Driven by strong Chinese demand, in March 2026, manganese production was supported by China's manganese ore imports which surged 38% month-on-month (m-o-m) to 3.2 million tonnes, while South Africa's exports to China rose to 2.2 million tonnes from 1.4 million tonnes a year earlier.

Together, these industries represent 43.2% of the total mining production basket.

Production contracted y-o-y in the following industries:

- **Coal (-9.6%**, subtracting 2.5 percentage points): Sixth consecutive monthly decline, largely due to reduced domestic demand. Export volumes rose 9.8% y-o-y, with shipments to India up 19.7% after a 71.8% surge in February. Despite the rise in exports, domestic demand still represents more than two-thirds of total consumption.
- **Iron ore (-2.7%**, subtracting 0.5 percentage points): Despite strong export growth (+21.3% y-o-y, with exports to China up 29.4%), the drop in production is attributed to a base effect due to a mine placed in care and maintenance in November 2025 after losing its sole domestic customer. The drop in production was the fourth in five months (to March 2026).

- **Diamonds (-8.5%**, subtracting 0.5 percentage points): Following February's 13.1% increase in production, the industry remains under pressure. The Minerals Council is engaging stakeholders to explore relief measures.

These commodities represented 44.8% of the total mining production basket. (Figure 1 presents the March production performance of the various industries in mining.)

Figure 1: March 2026 mining production

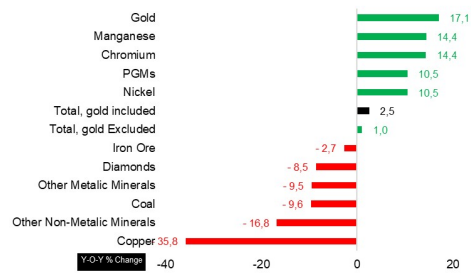
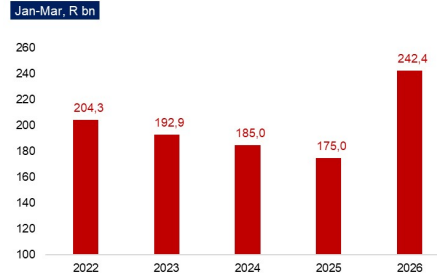


Figure 2: Total mineral sales (2022-2026)



Source: Stats SA, Minerals Council

Year-to-date mineral sales reached R242 billion, up R67.4 billion (39%) from the same period in 2025 (Figure 2). PGMs (+113.5%) and gold (+51.7%) were the main drivers, with March sales of R25 billion and R15.3 billion respectively. Price developments in March 2026 included:

- Rhodium: +105.7% (\$11,285)
- Platinum: +109.6% (\$2,054)
- Palladium: +62.4% (\$1,556)
- Gold: +62.8% (\$4,863)
- Coal: +24.9% (\$111.1)
- Iron ore: +3.8% (\$107.6)

A note on fuel costs: The Middle East conflict has sharply increased fuel expenditure. Average monthly spending for the sector rose from R2.9 billion in 2025 to approximately R4 billion in April 2026.

Bottom line:

- Declines in coal and iron ore production appear linked to reduced domestic demand, despite strong export growth.
- Rising fuel costs pose the most significant operational risk to the sector going forward.
- The sharp increase in mineral sales earnings highlights the sector's potential to catalyse inclusive growth in South Africa. With supportive policy and regulatory frameworks, the industry could achieve even greater outcomes.
- Given these numbers, mining production is expected to increase marginally by 0.3% in Q1 2026 (quarter-on-quarter).

-End-

BONGANI MOTSA

Act. Chief Economist

Tel: 011 498 7100

Email: bmotsa@mineralscouncil.org.za