

FACTS 2020

AND FIGURES



#MakingMining
Matter

CONTENTS



Anglo American Platinum – Mogalakwena

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FOREWORD

As mining plays a significant role in the economy of our nation, it is important for industry data to be freely available so that stakeholders can understand how the sector is performing. In this document, Minerals Council Chief Economist, Henk Langenhoven, and his team, use data to showcase our industry, and provide some insight into what the numbers mean for our country and the future of our mining industry.

It is crucial for the Minerals Council to avail credible statistics, which paint an accurate picture of the South African mining sector. Statistics allow us to fulfil our mandate as the voice of the mining industry in South Africa. They also allow us to accurately represent the wider impact of mining on the country and help all South Africans to develop a better, more nuanced understanding of the current state of the mining industry.

The Minerals Council's economics discipline plays a key role in gathering the data necessary for us and our members to properly understand the state of the sector and to work to improve its growth.

THE MINING SECTOR IN 2021



employed
452,866
people



contributed
R27.2 BILLION
in taxes to South Africa



contributed
R371.9 BILLION
to GDP

A *Facts and Figures Pocketbook 2020* was published just before the Mining Indaba 2021 and has been distributed widely – it is also currently available on the Minerals Council website. The pocketbook provides a snapshot of the industry and the impact that South Africa's mineral wealth has on our everyday lives.

This *Facts and Figures 2020* publication is both an updated version of the pocketbook and a more comprehensive statistical reference guide to the South African mining sector.

“Credible statistics allow us to fulfill our mandate as the voice of the mining industry in South Africa.”

MESSAGE FROM THE CEO



“The Minerals Council reiterates its commitment to zero harm as we work tirelessly with government and organised labour to improve the industry’s safety and health performance.”

Roger Baxter
CEO – Minerals Council South Africa



It is again my pleasure to introduce you to the latest edition of the Minerals Council’s Facts and Figures 2020 Book. Our stakeholders continue to tell us how useful it is to have an easily accessible publication with such useful data at hand.

A year ago, we were looking at 2019 data from the perspective of an industry, a country and a world that had only from early 2020 become enveloped in the COVID-19 pandemic. Now, we are looking at 2020 data entirely through the lens of an event which has changed the world as we knew it.

The data tells many interesting stories. One of these is how South Africa’s total mineral sales, exports, PAYE contributions, and company taxes and royalties increased appreciably compared with 2019. This is despite the government-imposed lockdown on the industry and the rest of the economy from March 2020.

In fact, the negative impact on mining was much lighter than that compared to many other parts of the economy

due to the excellent co-operation and collaboration between the industry and government in getting the sector safely back to work as quickly as possible. Many mining companies recorded increased revenues and profits, thanks to higher commodity prices and a weaker Rand.

It is gratifying that, notwithstanding the terrible impact of the pandemic and other adverse economic factors on employment in the country, our industry managed to hold job losses to less than 2%. Employee earnings held up well, with companies paying salaries during the lockdown.

In this book, you will find comparisons between the economic shock of the 2008 global financial crisis and the effects the pandemic had on a range of economic measures. Our economics team offers fascinating perspectives in this regard.

The industry’s safety performance as measured in terms of lives lost in mine accidents deteriorated in 2020. We are tackling the three leading causes of fatalities in mining through our ongoing CEO-led Khumbul’ekhaya strategy

with a focus on a holistic approach to eliminating fatalities as a result of safety and health incidents, including COVID-19.

The Minerals Council reiterates its commitment to zero harm as we work tirelessly with government and organised labour to improve the industry’s safety and health performance.

Roger Baxter
CEO – Minerals Council South Africa
12 October 2021

MINING AT A GLANCE

HOW MINING CONTRIBUTES TO SOUTH AFRICA

SNAPSHOT

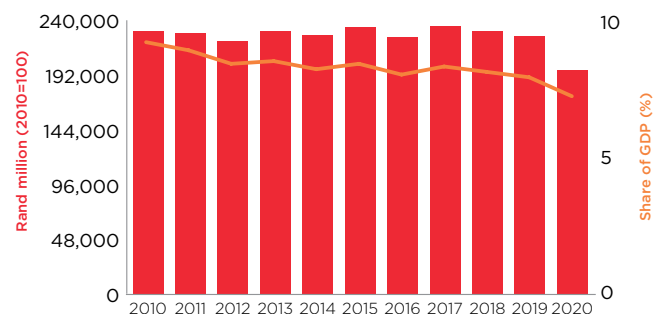
The economic disruption of the COVID-19 pandemic is a recurring feature in the 2020 statistics. Mining gross domestic product (GDP) declined in nominal terms by 1.2% in 2020, to a value of R371.9 billion. After allowing for the more than 24% rise in commodity prices, the inflation adjusted decline was 13%. In nominal terms, the mining sector contributed 8.4% and 7.5% in real terms to GDP. In the same year, the South African economy contracted by 6.8%, attributable to the COVID-19 pandemic. The graphs overleaf indicate the mining sector's contribution to GDP and the volatility in mining GDP due to the restrictions necessitated by the COVID-19 pandemic.



* Fiscal year

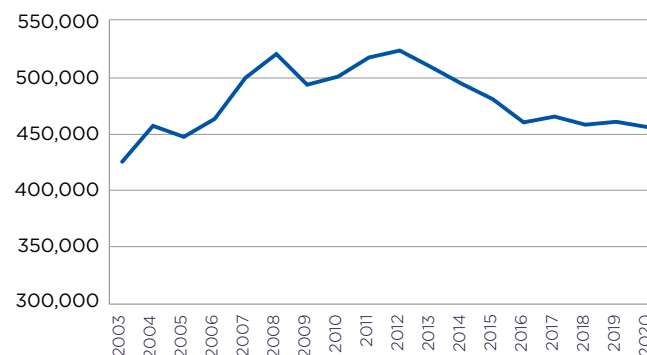
MINING AT A GLANCE CONTINUED

Mining gross domestic product: 2010-2020



Sources: Statistics South Africa, South African Reserve Bank, Minerals Council South Africa

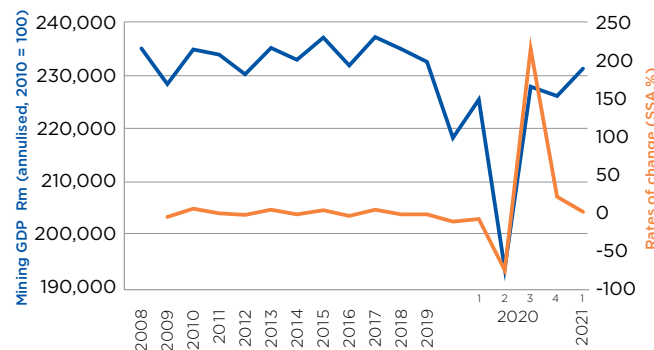
Employment in mining



Sources: Quarterly Employment Survey, Statistics South Africa, Minerals Council South Africa

“The impact of the production disruptions on employment levels seems not to have had a material impact.”

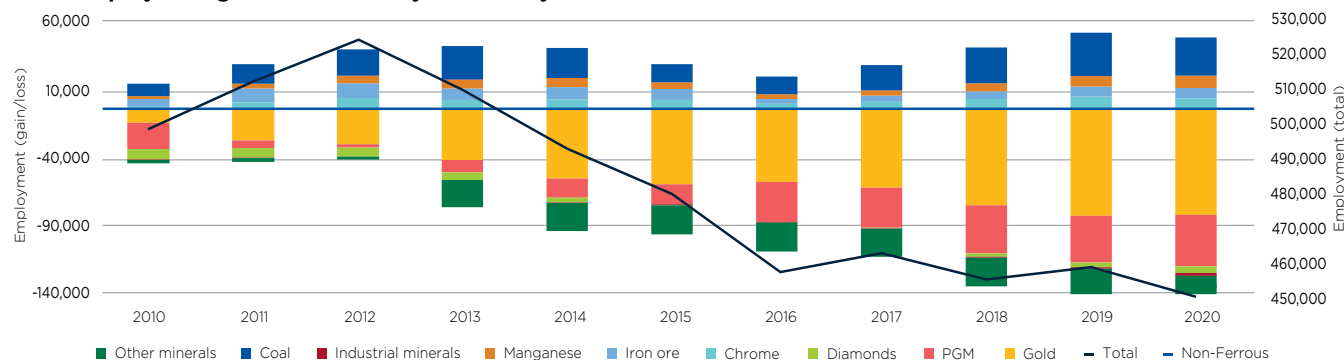
Variation in mining GDP levels



Sources: Statistics South Africa, SA Reserve Bank, Minerals Council South Africa

The impact of the production disruptions on employment levels seems not to have had a material impact. The full year 2020 employee numbers are 452,866, which is 9,172 jobs less than the average during 2019, or 2% lower. However, compensation for employees increased by 5% in the same year.

Total employment gains and losses by commodity



Sources: Statistics South Africa, Minerals Council South Africa

Compensation for employees increased

5%

MINING AT A GLANCE CONTINUED

In nominal terms the sector spent **R95.7 billion** on fixed investment

Gross fixed capital formation

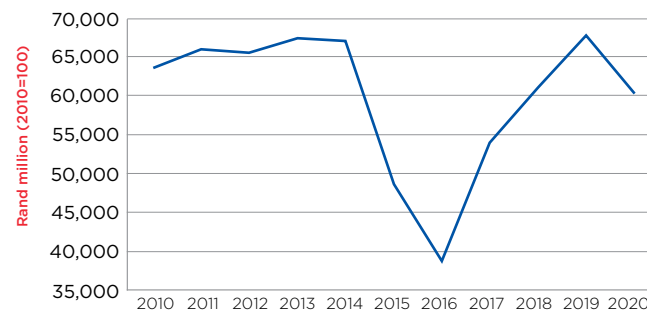
The graph alongside shows gross fixed capital investment up to 2020 (2010 = 100). The Quarterly Financial Surveys indicate that the construction of mines has declined further, but that investment in plant and machinery remained the same as 2019 in 2020. Net fixed investment also declined - in nominal terms the sector spent R95.7 billion in fixed investment.

Comparing the response to the COVID-19 shock (January 2020) with that of the global financial crisis (GFC: September 2008) shows the following: the latter contraction was not as deep but took nearly 2 years to reach pre-GFC levels, whereas the former was shorter, deeper and recovery is still slow.

Commodity price trends

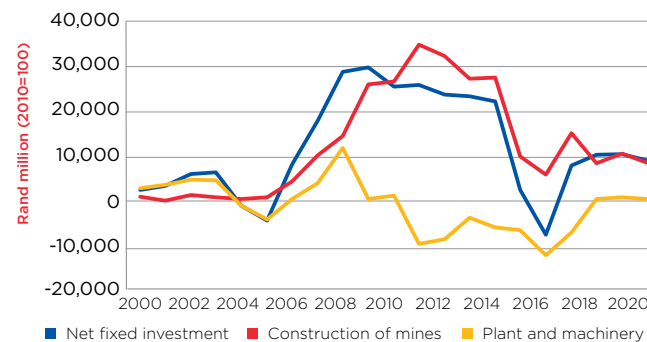
The main difference between the two events seems to be changes in world demand for metals and its impact on commodity price movements. Research by the World Bank shows the differential demand responses to the two crises (annual data). Chinese demand indicates a very small and short-term impact due to the COVID-19 situation compared to the global financial crisis (with the rest of the world also showing a smaller impact). The definitive result is the different impact on (SA relevant) commodity prices.

Gross fixed capital formation



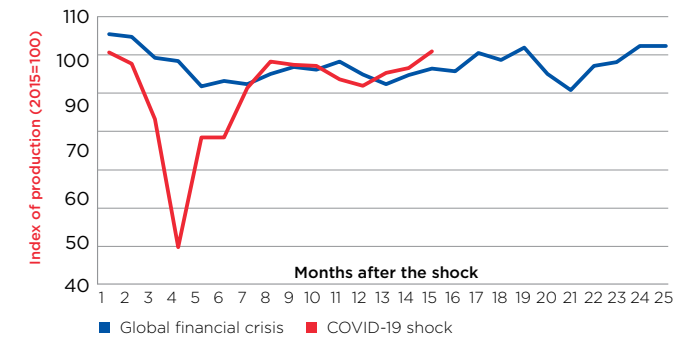
Sources: Statistics South Africa, South African Reserve Bank, Minerals Council South Africa

Quarterly Financial Surveys: Gross fixed capital formation



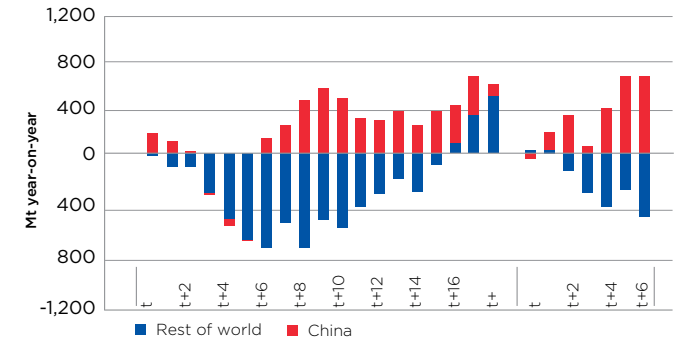
Sources: Statistics South Africa, South African Reserve Bank, Quantec

Comparing COVID-19 with GFC



Sources: Statistics South Africa, Minerals Council South Africa

Changes in metal demand during crisis



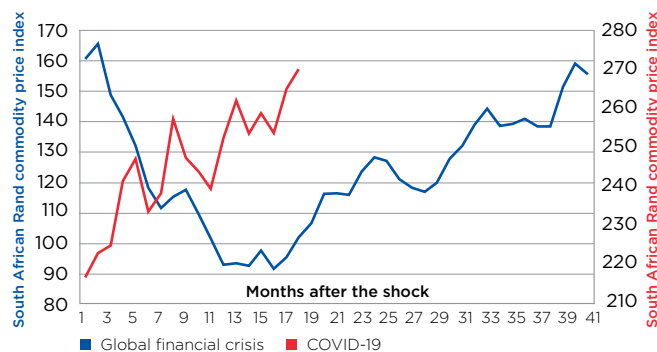
Source: World Bank Commodities Outlook, October 2020

MINING AT A GLANCE CONTINUED

The graph below shows this marked difference in commodity price movements between the two events:

- Prices were only 17% higher in January 2020 than nine years earlier, after prices recovered from the global financial crisis (GFC)
- After the start of the GFC it took 40 months for prices to recover, first dropping by 45% (16 months) and then recovering by 76% (over 25 months)
- During COVID-19 commodity prices have kept on rising from the beginning towards the end of 2020, with no apparent impact felt, a trend that seems to continue. These (Rand) commodity price improvements had a marked impact on sales and exports

South African commodity price index



Sources: Statistics South Africa, Minerals Council South Africa

“At the onset of the COVID-19 shock, exports were 93% higher after nine years since recovery from the GFC.”

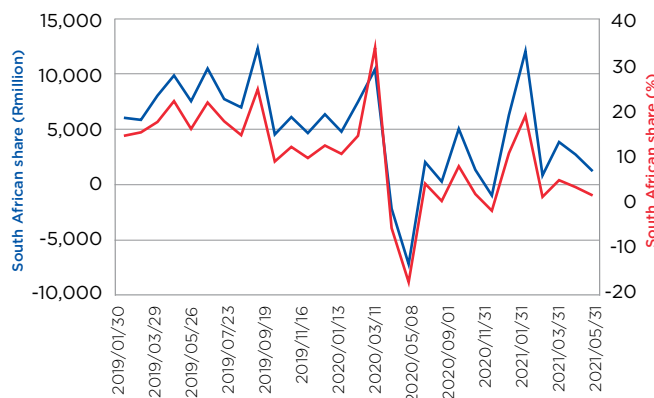
Prices were only

17%

higher in January 2020 than nine years earlier

Due to the weakness in the South African economy, the domestic share of commodity demand has virtually halved between 2020 and the previous two years.

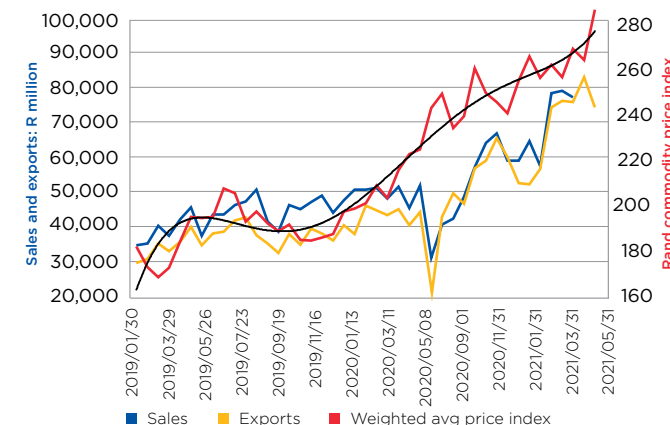
Total commodity sales and exports



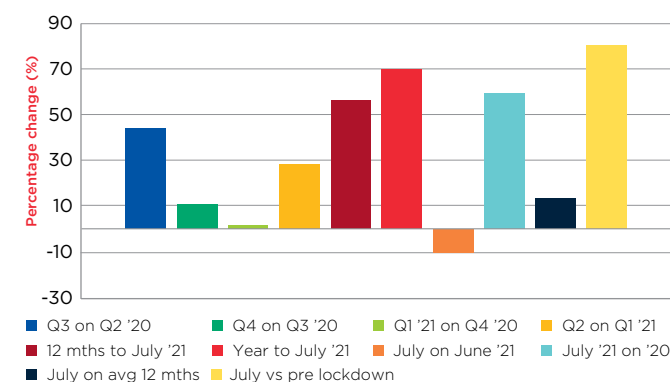
Sources: Statistics South Africa, South African Revenue Services, Minerals Council South Africa

The combination of better commodity prices and a less than expected contraction of world demand during the COVID-19 crisis, has resulted in the value of exports growing at a surprising rate, ending at an estimated 24% higher during 2020 than in 2019. This compensated for lower physical production (-12%) and exports (-4.5%) during 2020.

Commodity sales and exports



Export rates of change: various periods



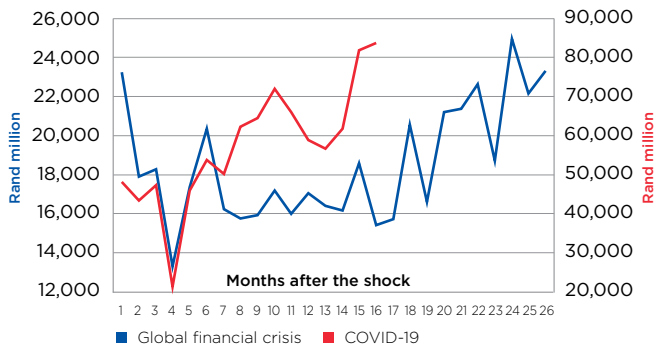
Sources: South African Revenue Services, Statistics South Africa, Minerals Council South Africa

A comparison of the export performances (by value) between the GFC and the COVID-19 crises shows the differences in levels, variation and duration of recovery, mainly linked to commodity prices. At the onset of the COVID-19 shock, exports were 93% higher after nine years since recovery from the GFC.

MINING AT A GLANCE CONTINUED

Export trends during the GFC and COVID-19 crises

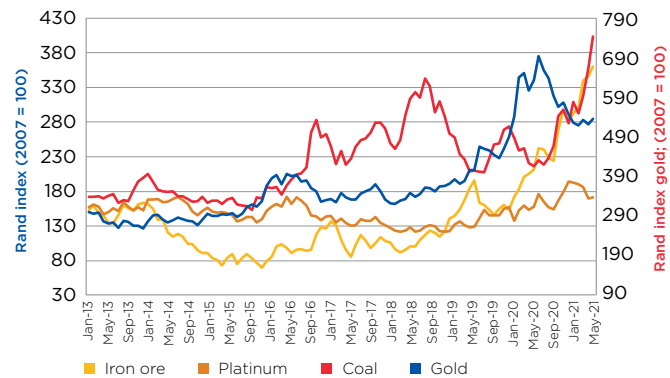
When the COVID-19 pandemic hit, exports declined by 55% within three months from January 2020, and then took just one month to recover.



Sources: South African Revenue Services, Minerals Council South Africa

At the onset of the GFC, the decline was less severe, but the recovery to pre-GFC levels took nearly two years.

Price paths of the different commodities: 2013 - May 2021



Sources: World Bank, South African Reserve Bank, Statistics South Africa, Minerals Council South Africa



Village Main Reef - Kopanang

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

Input cost escalation

Input cost escalation in mining is broadly determined by labour and intermediary input costs. Due to the weak South African economy, both production price and consumer price escalation declined during the last few years, which had a positive impact on mining. However, domestically, rapidly rising administered prices remain a major challenge jeopardising viability, and the weakening exchange rate pushes imported machinery and equipment prices higher.

Annual average input cost escalation in the South African mining sector (%)

2013	10.20
2014	10.70
2015	6.80
2016	9.77
2017	8.38
2018	8.67
2019	8.26
2020	6.61
2021*	8.58

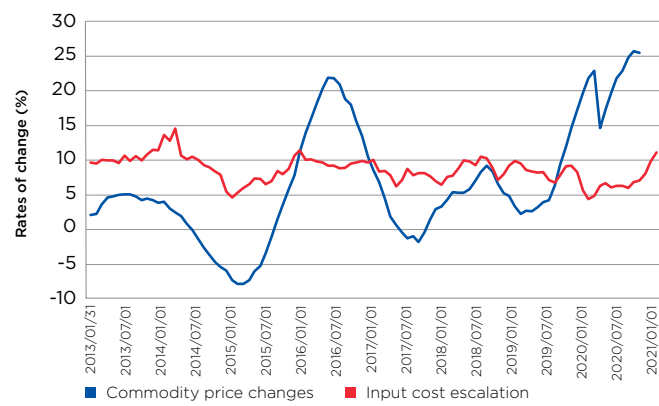
Sources: Statistics South Africa, South African Reserve Bank, Minerals Council South Africa
 *Year to date

Comparing input cost escalation with commodity price changes yields the graph alongside. The difference between the two, broadly indicates the variation in mining sector profitability margins. It also shows the extreme unpredictability of these margins, due to the volatility in commodity prices.

Annual input cost escalation 2021 (year to date)

8.58%

Input cost escalation versus commodity price changes



Sources: World Bank, South African Reserve Bank, Statistics South Africa

Inventory movements

There is some confusion over inventory levels in mining. The South African Reserve Bank (SARB) has raised concern over the differences between the inventory numbers published by the SARB and those published by Statistics South Africa. The Minerals Council is still investigating the matter further. The table below depicts the latest numbers published by Statistics South Africa.

Inventories						
	Q1 2021 (Rm)	Q1 2020 (Rm)	Change (%)	Four quarters to Q1 2021 (Rm)	Four quarters to Q1 2020 (Rm)	Change (%)
Opening						
Raw materials	22,903	22,503	1.78	89,478	90,505	1.13
Work in progress	77,063	46,676	65.10	248,028	175,666	41.20
Finished products	42,263	32,753	29.04	166,632	121,269	37.41
Closing						
Raw materials	23,140	21,862	5.85	91,176	89,710	1.63
Work in progress	89,317	49,951	78.81	287,385	184,112	56.09
Finished products	45,768	39,959	14.54	172,004	132,287	30.02
Net						
Raw materials	237	641	136.97	1,698	795	313.58
Work in progress	12,254	3,275	274.17	39,357	8,456	365.43
Finished products	3,505	7,206	52.36	5,372	11,018	51.24

Source: Statistics South Africa, Quarterly Financial Surveys, p 0044

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

It seems as if there has been a fairly large increase in the 'work in progress' category which is probably the result of the lower rate of processing raw materials, due to adjusted operational procedures. (The Quarterly Financial Survey is a sample of mining companies, and not an estimate of the total market movements.)

We also know that the volumes of sales and exports have been fairly stagnant during the last 12 to 18 months so the offtake/production of final product has not been at the pace at which commodity prices were improving.

Changes in inventories

	Mining and quarrying: actual current prices (R million)	Mining and quarrying: actual constant 2010 prices (R million)
31 Dec 2010	3,658.0	3,658.0
31 Dec 2011	6,630.4	3,951.2
31 Dec 2012	3,727.6	4,302.3
31 Dec 2013	8,956.6	4,836.0
31 Dec 2014	9,050.2	6,769.6
31 Dec 2015	12,462.1	9,433.4
31 Dec 2016	3,361.1	497.9
31 Dec 2017	5,326.7	2,485.9
31 Dec 2018	27,683.9	16,912.4
31 Dec 2019	23,793.5	13,815.3
31 Dec 2020	113,775.7	52,498.2

Source: Statistics South Africa GDP publication, p0441

This shows a large decrease in inventories, but the exact correlation with the Quarterly Financial Survey data is unknown.

Total mineral sales: 2020

Group	Commodity (R '000)	Total exports (R '000)	Local sales (R '000)	Total sales (R '000)	Exports as a % of total sales
Gold, PGMs, diamonds and silver	Gold	68,855,730	17,580,144	86,435,874	79.7%
	PGMs	173,241,908	17,189,500	190,431,408	91.0%
	Diamonds	8,119,626	5,151,827	13,271,453	61.2%
	Silver	268,152	107,169	375,321	71.4%
	Sub-total	250,485,416	40,028,640	290,514,056	86.2%
Base minerals	Chrome	8,731,865	10,172,823	18,904,688	46.2%
	Copper	1,517,314	893,016	2,410,330	63.0%
	Iron ore	83,304,860	3,260,059	86,564,919	96.2%
	Lead concentrate	690,904	3,190	694,094	99.5%
	Manganese	34,851,624	2,841,816	37,693,440	92.5%
	Nickel	6,395,820	1,011,729	7,407,549	86.3%
	Zinc	5,017,549	-	5,017,549	100.0%
	Sub-total	200,194,185	118,872,415	319,066,601	
Grand total		450,679,601	158,901,055	609,580,657	

Source: Department of Mineral Resources and Energy

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

South Africa's contribution to world mineral reserves: 2020

Commodity	unit	South Africa's Reserves	World		Locality of major reserves		
			Rank	%	1st	2nd	3rd
Chromium	Mt	200,000	2	35.0	Kazakhstan	South Africa	India
Coal	Mt	53,156	8	3.5	USA	Russia	China
Copper	kt	11,000	11	1.0	Chile	Australia	Peru
Fluorspar (contained CaF)	kt	41,000	3	13.0	Mexico	China	South Africa
Gold (metal)	t	3,200	3	6.0	Australia	Russia	South Africa
Iron ore	Mt	690	10	1.0	Australia	Brazil	Russia
Lead (metal)	kt	300	Outside the world's top ten		0.3	Australia	Russia
Manganese (metal)	Mt	260	1	32.0	South Africa	Australia	USA
Nickel	Mt	3,700	N/A	N/A	Indonesia	Australia	Brazil
Platinum group metals	kt	63,000	1	91.3	South Africa	Russia	Zimbabwe
Phosphate rock (contained concentrates)	kt	1,400,000	6	2.0	Morocco and Western Sahara	China	Algeria
Titanium minerals (metals)	Mt	35	5	4.5	Australia	China	India
Uranium (metal, up to \$US 80/kg U)	t	279,100	6	5.2	Australia	Kazakhstan	Canada
Vanadium (metal)	kt	3,500	4	15.9	China	Russia	Australia
Vermiculite	kt	14,000	2	N/A	USA	South Africa	Brazil
Zinc (metal)	kt	14,000	N/A	N/A	Australia	China	Mexico, Russia
Zirconium minerals (metals)	kt	6,500	2	10.4	Australia	South Africa	Mozambique

Sources: US Geological Survey, Department of Mineral Resources and Energy

N/A = not available

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

Key mineral industry statistics for South Africa: 2010-2020

Description	Units of measure	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Year-on-year % change
GROSS DOMESTIC PRODUCT													
Direct contribution of mining to GDP (value add)	R millions nominal terms	230,350	261,575	267,344	288,300	287,488	281,523	317,724	343,672	350,882	376,372	371,936	(1.2)
Direct contribution of mining to GDP	R millions constant 2010 prices	230,350	228,646	221,990	230,772	226,791	234,247	225,035	234,522	230,514	226,154	200,852	(11.2)
Mining GDP growth rate	% year-on-year	5.3	(0.7)	(2.9)	4.0	(1.7)	3.3	(3.9)	4.2	(1.7)	(1.9)	(11.2)	-
Direct contribution of mining to GDP	US\$ equivalent	31,459	36,064	32,563	29,875	26,510	22,079	21,601	25,815	26,514	26,049	22,598	(13.3)
South African GDP (value added at basic prices)	R millions nominal terms	2,494,860	2,724,400	2,932,879	3,183,618	3,414,943	3,624,908	3,891,558	4,173,328	4,341,292	4,523,580	4,428,711	(2.1)
South African GDP (value added at basic prices)	R millions constant 2010 prices	2,494,860	2,574,977	2,632,583	2,699,878	2,752,410	2,784,045	2,797,727	2,838,426	2,859,605	2,865,548	2,671,374	(6.8)
Mining's contribution as % of total GDP nominal terms	%	9.2	9.6	9.1	9.1	8.4	7.8	8.2	8.2	8.1	8.3	8.4	-
Mining's contribution as % of total GDP real terms	%	9.2	8.9	8.4	8.5	8.2	8.4	8.0	8.3	8.1	7.9	7.5	-
FIXED INVESTMENT													
Direct contribution of mining to fixed investment (GFCF)	R millions nominal terms	63,555	68,420	72,106	80,609	85,615	63,791	53,864	77,178	91,098	102,869	95,777	(6.9)
Direct contribution of mining to fixed investment (GFCF)	R millions constant 2010 prices	63,555	65,953	65,438	67,333	66,995	48,606	38,797	53,949	61,072	67,668	60,234	(11.0)
Total private sector fixed investment (private GFCF)	R millions nominal terms	341,517	380,411	406,000	470,178	511,839	525,404	545,608	579,589	607,599	636,640	541,316	(15.0)
Total SA fixed investment (GFCF)	R millions nominal terms	529,431	578,014	625,643	721,234	775,950	822,576	846,552	873,223	886,428	908,878	783,620	(13.8)
Mining fixed investment growth rate	% year-on-year		3.8	(0.8)	2.9	(0.5)	(27.4)	(20.2)	39.1	13.2	10.8	(11.0)	-
Direct contribution to fixed investment (GFCF)	US\$ equivalent	8,680	9,433	8,783	8,353	7,895	5,003	3,662	5,797	6,884	7,120	5,819	(18.3)
Mining's contribution to private sector fixed investment (GFCF)	%	18.6	18.0	17.8	17.1	16.7	12.1	9.9	13.3	15.0	16.2	17.7	-
Minings contribution as % of total investment	%	12.0	11.8	11.5	11.2	11.0	7.8	6.4	8.8	10.3	11.3	12.2	-

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

Key mineral industry statistics for South Africa: 2010-2020 continued

Description	Units of measure	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Year-on-year % change
SALES AND EXPORTS													
Total primary mineral sales	R millions nominal terms	300,891	370,833	363,756	385,033	386,350	386,709	424,042	474,171	498,289	551,866	609,581	10.5
Total primary mineral sales	US\$ equivalent	41,093	51,128	44,307	39,899	35,627	30,329	28,829	35,617	37,652	38,196	37,036	(3.0)
Mining industry primary exports	R millions nominal terms	224,969	282,297	269,120	279,673	269,264	266,604	294,897	328,470	335,041	361,277	450,680	24.7
Mining industry primary exports	US\$ equivalent	30,724	38,921	32,780	28,981	24,830	20,909	20,049	24,673	25,317	25,005	27,382	9.5
Total SA exports (goods and services)	R millions nominal terms	663,182	782,664	812,402	919,811	1,005,736	1,027,648	1,115,959	1,183,537	1,249,470	1,297,809	1,395,038	7.5
Primary mineral exports as % of total SA exports	%	33.9	36.1	33.1	30.4	26.8	25.9	26.4	27.8	26.8	27.8	32.3	-
EMPLOYMENT													
Mining industry direct employment	numbers	498,907	512,874	524,869	509,909	492,931	480,205	458,291	463,901	456,706	462,039	452,866	(2.0)
Total SA formal non-agricultural employment	numbers	8,327,768	8,656,951	8,906,362	9,064,960	9,258,630	9,399,279	9,711,074	9,853,734	10,107,030	10,220,269	9,729,156	(4.8)
Mining as % of total non-agricultural formal employment	%	6.0	5.9	5.9	5.6	5.3	5.1	4.7	4.7	4.5	4.5	4.7	-
Remuneration paid to employees in mining	R millions current	74,319	86,972	93,630	100,753	102,146	114,085	120,515	128,558	134,593	144,463	151,754	5.0
Average annual remuneration per mineworker	Rand	148,963	169,578	178,388	197,590	207,223	237,576	262,966	277,123	294,703	312,665	335,096	7.2
EXCHANGE RATES													
Rand per US\$	R/US\$	7.3	7.3	8.2	9.7	10.8	12.8	14.7	13.3	13.2	14.4	16.5	13.9
Rand per Euro	R/Euro	9.7	10.1	10.6	12.8	14.4	14.1	16.3	15.0	15.6	16.2	18.8	16.0
Rands per British Pound (GBP)	R/GBP	11.3	11.6	13.0	15.1	17.9	19.5	20.0	17.2	17.6	18.4	21.1	14.4
COMMODITY PRICES													
Coal SA	US\$/tonne	92	116	93	80	72	57	64	85	98	72	66	(8.7)
Iron Ore	US\$/dmtu	146	168	128	135	97	56	58	72	70	94	109	16.1
Gold	US\$/oz	1,225	1,569	1,670	1,411	1,266	1,161	1,249	1,258	1,269	1,392	1,770	27.1
Platinum	US\$/oz	1,610	1,719	1,551	1,487	1,384	1,053	987	948	880	864	883	2.2
Palladium	US\$/oz	721	950	738	773	814	697	617	875	1,037	1,548	2,193	41.6
Rhodium	US\$/oz	2,118	1,739	1,210	1,045	1,169	956	694	1,107	2,219	3,908	11,219	187.1
Copper	US\$/mt	7,535	8,828	7,962	7,332	6,863	5,510	4,868	6,170	6,530	6,010	6,174	2.7
Nickel	US\$/mt	21,809	22,910	17,548	15,032	16,893	11,863	9,595	10,410	13,114	13,914	13,787	(0.9)
Zinc	US\$/mt	2,161	2,194	1,950	1,910	2,161	1,932	2,090	2,891	2,922	2,550	2,266	(11.1)

Sources: World Bank, South African Reserve Bank, Department of Mineral Resources and Energy, Statistics South Africa, South African Revenue Services

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

Mining sector expenditure: 2020

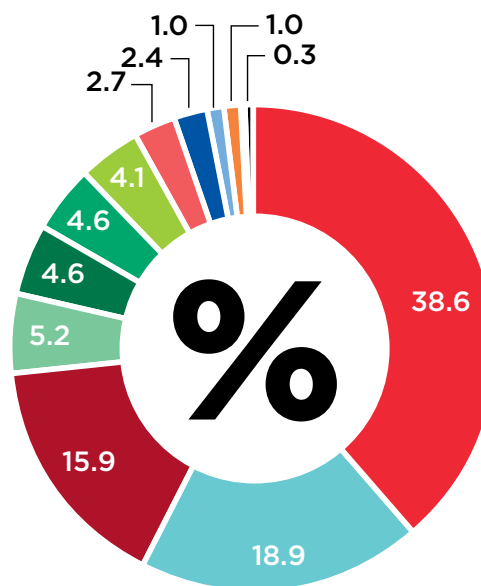
Expenditure Item	R million
Purchases	365,704
Other expenditure	178,793
Salaries and wages (includes severance payments)	151,062
Property, plant and equipment	49,461
Depreciation	44,051
Losses on assets	43,746
Tax and company tax	38,553
Interest paid	25,818
Paid rental on land and buildings	22,422
Buildings, improvements and construction	9,771
Royalties paid	9,674
Paid rental on plant and machinery	5,004
Vehicles	3,168
Purchases of land, existing buildings	299
Total	947,526

Source: Statistics South Africa

Royalties paid

Commodity	2017/2018			2018/2019			2019/2020		
	Royalties paid	Relative proportions	Year-on-year growth	Royalties paid	Relative proportions	Year-on-year growth	Royalties paid	Relative proportions	Year-on-year growth
	R million	%	%	R million	%	%	R million	%	%
Coal	1,637	21.5	49.2	2,059	23.9	25.8	1,741	14.7	(15.4)
Diamond	353	4.6	40.9	362	4.2	2.6	95	0.8	(73.9)
Gold and uranium	590	7.7	(36.5)	288	3.3	(51.3)	180	1.5	(37.5)
Industrial minerals	99	1.3	41.4	233	2.7	134.2	453	3.8	94.6
Iron ore	2,167	28.5	33.1	2,078	24.1	(4.1)	4,413	37.3	112.3
Manganese	665	8.7	534.1	802	9.3	20.6	787	6.7	(1.9)
Platinum	851	11.2	5.8	1,127	13.1	32.5	2,786	23.6	147.2
Zinc	13	0.2	60.8	3	-	(75.0)	(9)	(0.1)	(376.4)
Other	1,243	16.3	36.8	1,659	19.3	33.5	1,384	11.7	(16.6)
Total	7,617	100.0	31.3	8,612	100.0	13.1	11,830	100.0%	37.4

Source: South African Revenue Services



Mining sector expenditure 2020:

R947.5bn

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

Employment per commodity: 2010-2020

	Total	Gold	PGM	Diamonds	Chrome	Iron ore	Manganese	Non-ferrous metals	Coal	Industrial minerals	Other minerals
2010	498,907	157,019	181,969	11,467	13,982	18,216	5,879	-	74,025	13,118	23,231
2011	512,874	144,799	194,745	12,047	16,911	22,360	7,460	-	78,580	13,013	22,961
2012	524,869	142,200	197,752	12,332	19,762	23,380	8,685	-	83,244	13,795	23,719
2013	509,909	131,738	191,260	13,579	18,358	21,127	9,842	15,539	88,039	13,623	6,805
2014	492,931	119,007	186,864	15,356	18,658	21,794	9,971	15,816	86,106	13,031	6,330
2015	480,205	115,029	186,465	18,313	18,450	20,554	8,639	16,414	77,747	12,866	5,727
2016	458,291	116,572	172,556	18,789	15,449	16,651	7,242	14,754	77,259	13,222	5,797
2017	463,901	112,901	172,760	18,038	16,968	17,510	7,780	16,325	82,372	13,029	6,219
2018	456,706	100,793	167,037	16,391	18,922	18,613	9,352	16,862	89,789	12,757	6,133
2019	462,039	93,588	168,126	15,274	20,808	19,777	11,219	19,721	95,193	12,413	5,867
2020	452,866	94,399	164,782	13,939	19,274	20,490	12,274	19,246	91,649	11,530	5,237

Source: Department of Mineral Resources and Energy

Employee earnings per commodity: 2010-2020

	Total	Gold	PGM	Diamonds	Chrome	Iron ore	Manganese	Non-ferrous metals	Coal	Industrial minerals	Other minerals
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2010	74,318,549	19,877,668	26,688,348	1,956,333	2,082,481	3,037,418	946,139	-	14,186,482	1,326,489	4,217,192
2011	86,972,067	20,840,802	30,481,697	2,141,484	2,754,694	6,506,608	1,277,636	-	16,068,639	1,401,846	5,498,661
2012	93,630,482	22,238,338	34,393,197	2,408,198	3,434,492	4,690,573	1,565,264	-	17,445,779	1,597,960	5,856,681
2013	100,752,743	23,930,042	37,710,446	2,870,536	3,840,559	4,848,253	1,946,529	3,590,044	18,949,314	1,680,160	1,386,826
2014	102,146,421	23,383,408	35,652,303	3,663,455	4,046,774	5,691,818	2,302,129	3,690,718	20,594,652	1,810,346	1,310,818
2015	114,084,920	24,578,384	44,955,363	4,677,942	4,416,943	6,218,976	2,199,373	3,947,029	19,932,153	1,923,933	1,234,824
2016	120,515,016	28,760,523	45,926,200	5,072,996	4,213,906	5,894,901	2,118,157	4,041,599	21,111,665	2,073,622	1,301,446
2017	128,557,573	30,167,951	49,484,308	5,430,360	4,733,924	5,825,750	2,390,916	4,439,916	22,441,979	2,128,840	2,613,285
2018	134,592,702	27,940,254	51,409,606	5,198,824	5,517,399	6,641,463	3,001,644	5,125,276	25,948,907	2,212,859	1,592,803
2019	144,463,374	26,397,432	56,216,327	4,967,785	6,378,291	7,025,315	3,885,397	6,503,742	29,135,756	2,257,719	1,691,712
2020	151,753,701	26,904,177	61,083,414	4,505,054	6,311,763	7,537,049	4,430,034	6,746,112	30,516,069	2,061,861	1,655,219

Source: Department of Mineral Resources and Energy

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

Mining employment by gender: 2010-2020

	Male		Female		Total
	Number	%	Number	%	Number
2010	459,033	92.0	39,874	8.0	498,907
2011	468,591	91.4	44,283	8.6	512,874
2012	476,469	90.8	48,399	9.2	524,869
2013	459,750	90.2	50,159	9.8	509,909
2014	440,547	89.4	52,384	10.6	492,931
2015	426,332	88.8	53,873	11.2	480,205
2016	404,664	88.3	53,627	11.7	458,291
2017	407,320	87.8	56,581	12.2	463,901
2018	398,583	87.3	58,123	12.7	456,706
2019	400,324	86.6	61,715	13.4	462,039
2020	389,771	86.1	63,095	13.9	452,866

Mining employment by type: 2010-2020

	Established		Contractors		Total
	Number	%	Number	%	Number
2010	348,706	70	150,201	30	498,907
2011	350,124	68	162,751	32	512,874
2012	357,436	68	167,433	32	524,869
2013	354,939	70	154,970	30	509,909
2014	342,751	70	150,180	30	492,931
2015	334,458	70	145,747	30	480,205
2016	318,039	69	140,251	31	458,291
2017	312,947	67	150,954	33	463,901
2018	301,431	66	155,274	34	456,706
2019	296,369	64	165,670	36	462,039
2020	288,212	64	164,655	36	452,866

Source: Department of Mineral Resources and Energy

The use of contractors in South Africa's mining sector

The use of contractors in the mining industry enables companies to manage risks such as workforce availability, occupational health and safety, and environmental incidents. Contractors also help companies save costs because they have access to additional capital equipment and human resources. The table below indicates that, even though 2020 was an exceptional year, the extent of the use of contractors remained at the same level as the previous year.

Contractors: total remuneration: 2019-2020

	Remuneration (R'000)				No. of employees			
	Contractors		As % of industry		Contractors		As % of industry	
	2019	2020	2019	2020	2019	2020	2019	2020
Gold	2,920,665	3,651,467	11	14	14,125	17,468	15	19
PGMs	10,555,426	11,454,145	19	19	48,586	47,286	29	29
Diamonds	1,652,405	1,466,979	33	33	5,898	4,956	39	36
Chrome	1,064,181	1,208,058	17	19	7,311	7,384	35	38
Iron ore	1,456,170	1,617,353	21	21	10,573	11,358	53	55
Manganese	1,320,627	1,663,216	34	38	6,491	7,072	58	58
Coal	7,749,200	7,667,424	27	25	56,032	53,753	59	59
Other	2,283,756	2,398,498	-	-	16,654	15,378	-	-
Total	29,002,435,146	31,127,144,214	20	21	165,670	164,655	36%	36

Source: Department of Mineral Resources and Energy

Mining contributes more than

20%



to the economies of the Limpopo, Mpumalanga, North West and Northern Cape provinces

OVERVIEW OF THE SOUTH AFRICAN MINING INDUSTRY

CONTINUED

MINING'S CONTRIBUTION TO SOUTH AFRICA – PROVINCIAL OVERVIEW

At provincial level, mining plays a big role offering not only employment but also supporting the respective provincial economies. Mining contributes more than 20% to the economies of the Limpopo, Mpumalanga, North West

and Northern Cape provinces. In the communities where mining companies operate, they have built schools, clinics, and other social infrastructure such as roads and housing for employees, thus improving the quality of life of these communities. Mining companies have also directly and indirectly supported recreational activities.

“Mining companies have also directly and indirectly supported recreational activities.”

Mining sector contribution to provincial economies (GDP basic prices)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Eastern Cape	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%
Free State	10.5%	11.0%	10.7%	10.5%	10.6%	10.5%	8.5%	8.7%	9.1%	8.3%	8.7%	8.9%
Gauteng	2.4%	2.5%	2.5%	2.5%	2.4%	2.2%	2.0%	2.1%	2.1%	1.8%	1.8%	1.5%
KwaZulu-Natal	1.4%	1.5%	1.4%	1.4%	1.4%	1.4%	1.2%	1.3%	1.3%	1.3%	1.3%	1.4%
Limpopo	26.0%	26.5%	28.7%	28.3%	28.3%	27.9%	26.8%	28.4%	28.1%	28.5%	30.2%	34.6%
Mpumalanga	18.5%	19.1%	20.6%	21.5%	20.1%	18.9%	17.9%	18.2%	18.1%	18.5%	19.5%	23.6%
North West	30.2%	31.2%	33.3%	30.0%	33.0%	32.8%	32.0%	32.8%	32.0%	32.7%	34.6%	35.7%
Northern Cape	23.9%	24.6%	24.0%	24.0%	25.3%	22.8%	20.1%	20.6%	21.9%	22.5%	24.1%	27.8%
Western Cape	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
South Africa	6.9%	7.1%	7.5%	7.3%	7.4%	7.2%	6.7%	7.0%	6.9%	6.9%	7.3%	8.4%

Provincial overview: 2020

2020	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape
Mining sector contribution to provincial economies in 2020 (GDP value added (%))	0.2	8.9	1.5	1.4	34.6	23.6	35.7	27.8	0.3
Compensation of employees (Rm)	227	14,602	14,404	3,823	41,559	28,130	39,431	9,733	723
Gross fixed capital formation (Rm)	53,605	42,398	251,234	129,211	61,688	78,429	52,174	18,808	96,073
Total mining employment	1,512	36,470	51,177	9,396	49,599	92,363	196,158	14,800	1,353
Population	6,734,001	2,928,903	15,488,137	11,531,628	5,852,553	4,679,786	4,108,816	1,292,786	7,005,741

Source: Statistics South Africa

Safety and Health Performance

Safety Performance

Safety regression recorded in 2020



Following a gratifying improvement in 2019’s safety performance, where the lowest ever number of fatalities in mining was recorded, the industry observed a disappointing regression in 2020 with 60 fatalities, compared to 51 in 2019. This shows a year-on-year increase in fatalities of 18%.

An analysis of the fatality trends indicates that fall of ground (FoG) is a key area of concern, particularly in the platinum and gold sectors, with 22 fatalities (37%) reported in 2020 caused by FoG. These two industries are characterised by the deepest mines in the country. Transport-related accidents accounted for nine fatalities (15%) in 2020, affecting mostly the coal and platinum sectors. A spike in miscellaneous-related fatalities was also evident, and a cause for concern. Through discussions with Minerals Council members, it is clear that COVID-19 has impacted occupational safety in mining operations, especially with respect to supervision, safety coaching, crew allocation, absenteeism, and high potential incidents, amongst other areas.

While FoG accidents remain a significant contributor to fatalities, the industry has somewhat managed

to reduce rock-burst related fatalities, supported by initiatives focusing on in-stope preconditioning to help prevent and manage rock-bursts.

Additionally, the Council for Geoscience’s instruction for reporting seismicity has increased focus on its monitoring. It is apparent, however, that further improvements are needed to effectively manage FoG accidents, given the increase in rock-fall (gravity-induced FoG) related fatalities seen in the past three years. To this end, a targeted approach to address major causes of fatalities across commodities is underway. This includes a series of workshops held by the Minerals Council’s Rock Engineering and Technical Committee (RETC) and South African National Institute of Rock Engineering (SANIRE) Task Team to identify tangible actions. The Minerals Council Board and the CEO Zero Harm Forum have also approved a special project on Trackless Mobile Machinery (TMM)/Collision Avoidance Systems (CAS) to improve transport safety. A series of engagements with various stakeholders on a holistic risk-phased approach to the implementation of CAS technologies is also in progress.

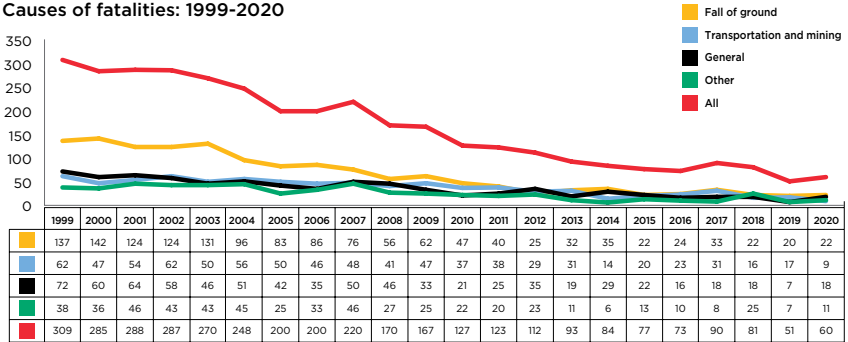
Fatalities by commodity

Commodity	2019	2020	% change
Platinum	20	16	(20)
Gold	18	26	44
Coal	7	11	57
Other*	6	7	17
Total	51	60	18

Source: Department of Mineral Resources and Energy

* Other includes diamonds, chrome, copper, iron ore and all others not specified

Causes of fatalities: 1999-2020



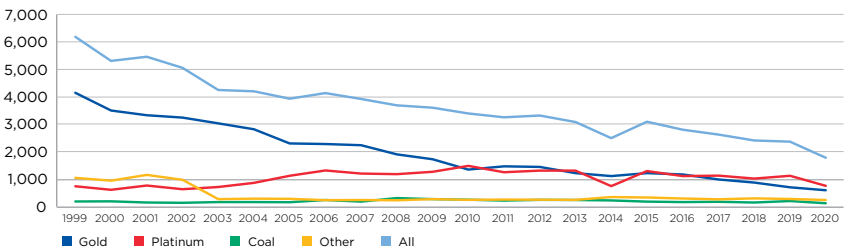
Source: Department of Mineral Resources and Energy

Improvement in injuries

The industry recorded a 26% improvement in overall injuries, from 2,452 in 2019 to 1,814 in 2020. This reduction is the highest improvement recorded in the last five years, above the annual milestone reduction target

of 20%. The number of injuries in the coal sector decreased the most, followed by platinum, gold and then ‘other’ commodities. Injuries classified under ‘general’ were the largest contributor, followed by transport and FoG.

Number of injuries per commodity: 1999-2020



Source: Department of Mineral Resources and Energy

SAFETY AND HEALTH PERFORMANCE CONTINUED

HEALTH PERFORMANCE

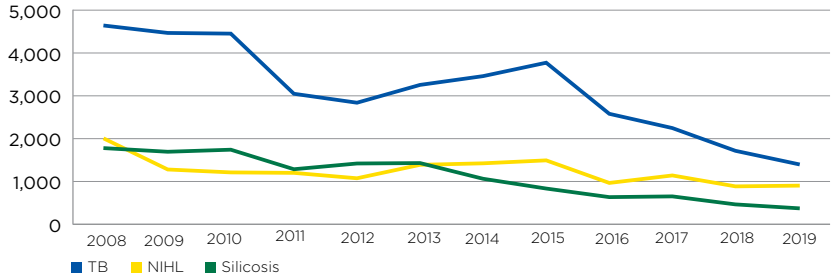


Improvement recorded
In the last decade, health-related statistics have improved significantly as the industry has undertaken efforts to reduce occupational health risks.

The total occupational diseases reported in 2019 (due to a lag in the reporting of health-related performance, the statistics represented are for 2019) showed a reduction of 9.5% when compared to the previous year; silicosis cases reduced by 19.6%, pulmonary TB cases by 10.1%, and cases of other occupational diseases by 24.7%. Coal workers' pneumoconiosis (CWP) cases, however, increased by 70.4%, as did noise induced hearing loss (NIHL) cases by 1.9%. The asbestosis cases remained unchanged from 2018 to 2019. Although the industry is doing well in reducing a number of occupational disease, CWP is still a concern and little progress is being made on NIHL.

A major concern in 2019 regarding the monitoring of occupational health milestones was the decrease in reporting by companies onto the Minerals Council health reporting system, which declined further in 2020 as a result of the COVID-19 pandemic. To improve on occupational health exposures, the Minerals Council's members have committed to adopting continuous real time monitoring systems.

Occupational diseases in mining: 2008-2019



Source: Department of Mineral Resources and Energy

Compliance in reporting on milestones: 2018-2019

Activity	Milestone	Industry performance 2018	Industry performance 2019
Compliance to reporting milestones	100% reports should be finalised and submitted	92.0%	80.6%

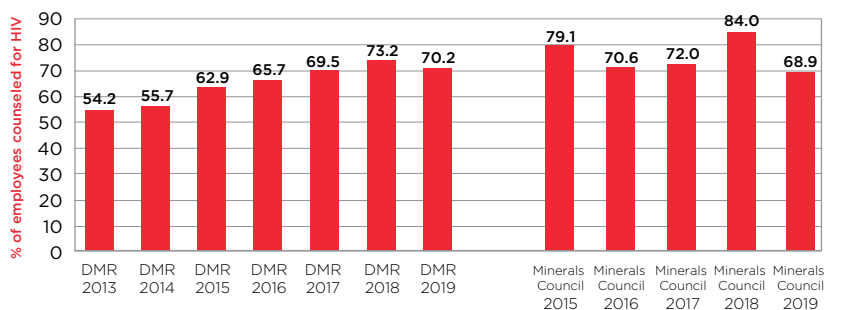
Source: Minerals Council South Africa

Cases of coal worker's pneumoconiosis: 2016-2019

Coal workers' pneumoconiosis reported to the DMRE			
2016	2017	2018	2019
58	66	27	47

Source: Department of Mineral Resources and Energy

Percentage of employees counselled for HIV: 2013-2019



Sources: Department of Mineral Resources and Energy, Minerals Council South Africa

“A major concern in 2019 regarding the monitoring of occupational health milestones was the decrease in reporting by companies onto the Minerals Council health reporting system”



The HIV programme milestone is that 100% of employees should be offered HIV counselling and testing annually with all eligible employees linked to an antiretroviral therapy programme as per the National Strategic Plan.

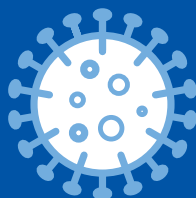
As shown in the graph, the performance of the industry on counselling for HIV declined drastically in 2019 to 68.9% from 84.0% in 2018. This is concerning considering that COVID-19 was not a factor.

SAFETY AND HEALTH PERFORMANCE CONTINUED

INDUSTRY'S RESPONSE TO COVID-19

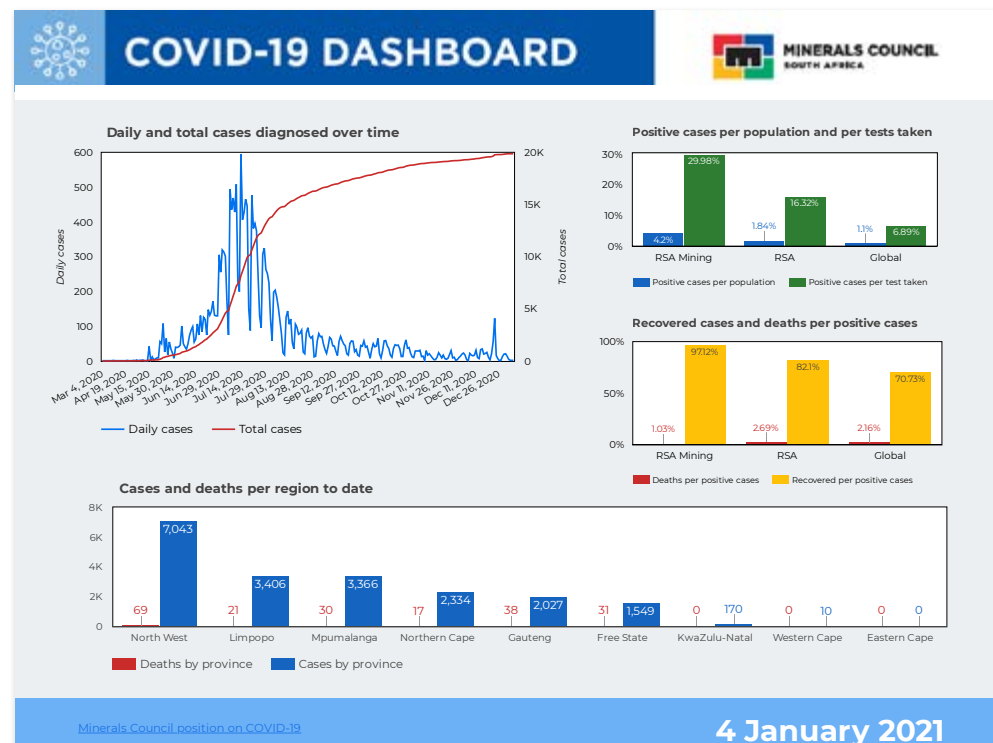
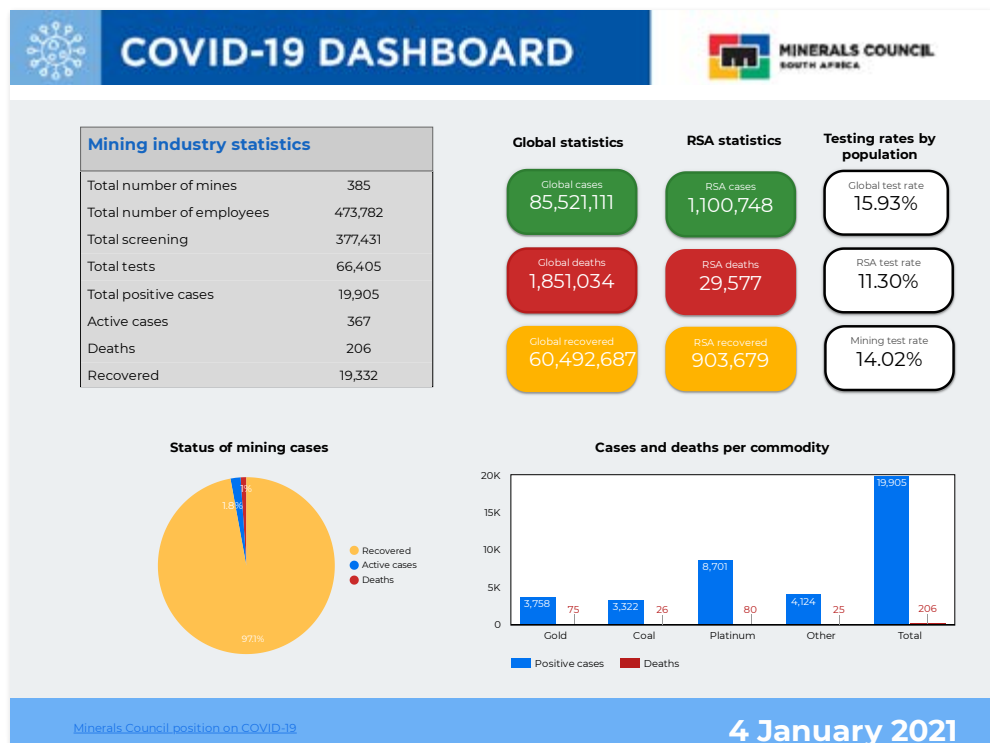
INDUSTRY'S RESPONSE TO COVID-19

In March 2020, the World Health Organization (WHO) had declared COVID-19 a global pandemic and by then, the Minerals Council and the CEOs of member companies were already alert to this threat and were adopting a risk-based approach in response.



A hallmark of the industry's response to COVID-19 has been the intensity of leadership focus and the range of disciplines involved.

In early February 2020, the Minerals Council had developed and issued its first advisories to members on COVID-19, combined with communications material for employees. By the end of March 2020, the Minerals Council had published a Standard Operating Procedure (SOP) that provided for COVID-19-safe work processes, including daily screening and sanitising, isolation areas, and COVID-19 reporting. The Minerals Council's SOP later became the basis for the Guidelines for a Mandatory Code of Practice to Mitigate and Manage the Outbreak of COVID-19 published by the Chief Inspector of Mines in May 2020.



SAFETY AND HEALTH PERFORMANCE CONTINUED

INDUSTRY'S RESPONSE TO COVID-19 CONTINUED

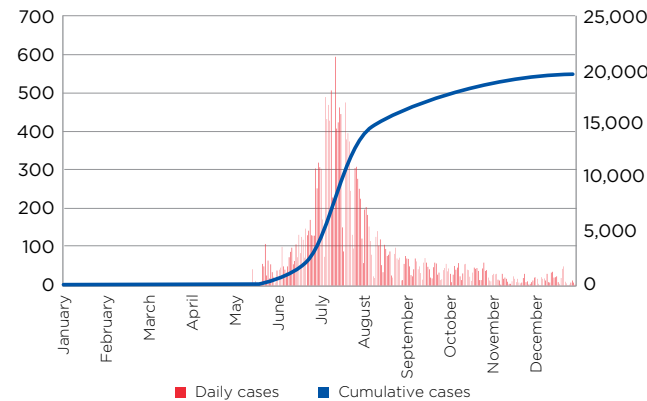
The national lockdown resulted in the significant scaling down of mining activities from late March. Operations supplying Eskom and the synfuels industry continued to operate to ensure energy security. Value-adding mining infrastructure, especially refineries and smelters that could not easily be switched on and off, also continued to operate subject to precautionary measures to protect the staff involved. Essential services, including security, ventilation, cooling and pumping, refrigeration, tailings facilities, specialised maintenance, the provision of water and other supplies to communities as well as services to staff residences, were also permitted.

The gradual resumption of mining activities began following an announcement by the President on 23 April 2020 and was made possible through the effective measures put in place by the industry to prevent the spread of COVID-19. There was close collaboration between the Department of Mineral Resources and Energy (DMRE), labour unions and companies.

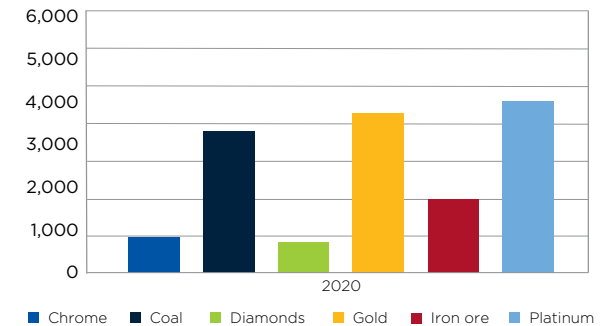
By the end of 2020, more than 375,000 employees were being screened daily (the remainder not yet having returned to work), 66,405 had been tested – a 14% test rate as compared with 11.3% for the country as a whole. There had been 19,905 positive COVID-19 tests among Minerals Council members.

Sadly, we had lost 206 colleagues to the pandemic in 2020. The death rate per positive cases in the industry was 1.03%, compared with 2.69% for the country as a whole.

Mining related Covid-19 cases: 2020



Mining-related cumulative cases total by commodity sector



That was, of course, prior to the advent of vaccinations starting in South Africa. Naturally, much of our energy in 2021 has been devoted to our vaccination campaign, and we were proud to be able to announce as at 28 September that over 200,000 miners – 47% of the workforce – had been vaccinated. This work continues apace.



OUR COMMODITIES: METALS AND MINERALS

PLATINUM GROUP METALS (PGMs)

2020 KEY FEATURES



R190.4 billion

Total sales



164,782

Direct employees



R61.1 billion

Employee earnings

**“Employment in
PGMs decreased
by 2% during 2020.”**

 Northam Platinum – Zondereinde

OUR COMMODITIES: METALS AND MINERALS

PLATINUM GROUP METALS (PGMs)

In 2020, the PGM industry recorded some sharp declines across several metrics, namely: production (-15.5%), export sales volume (-21.8%), local sales volume (-3.2%) and total sales volumes (-20.6%). Employment also decreased by 2% in the year. These declines are attributable to the economic disruption caused by the COVID-19 pandemic.

Conversely, strong commodity prices in PGM metals resulted in noteworthy increases in Rand sales. Total sales increased 40%, made up of export sales increases of 39.1% and local sales of 50.2%.

Dollar and Rand PGM price increases

	US Dollar increase	Rand increase
Platinum	2%	16%
Palladium	42%	61%
Rhodium	187%	227%

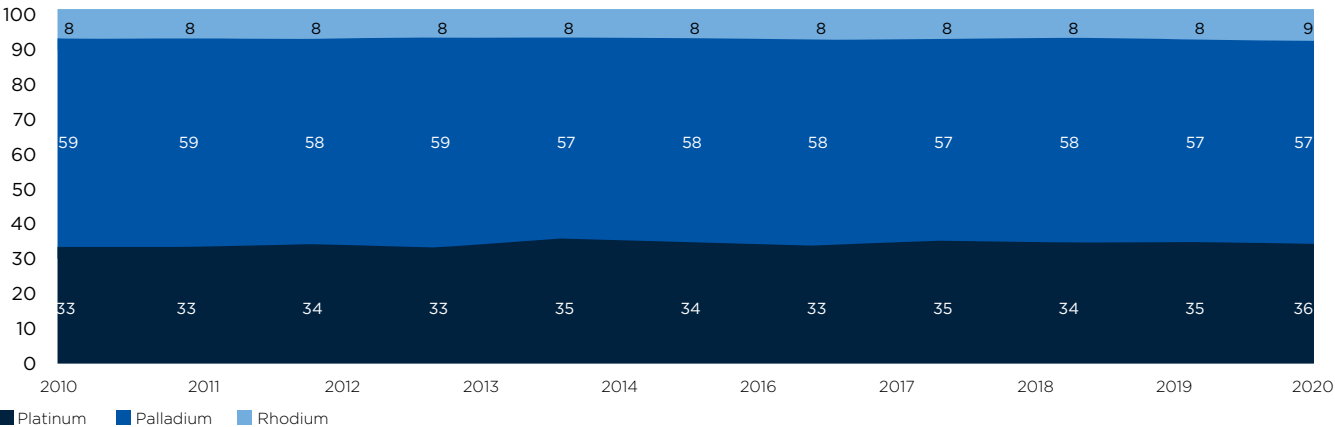
Source: World Bank, Johnson Matthey , South African Reserve Bank

Total sales increased by

40%

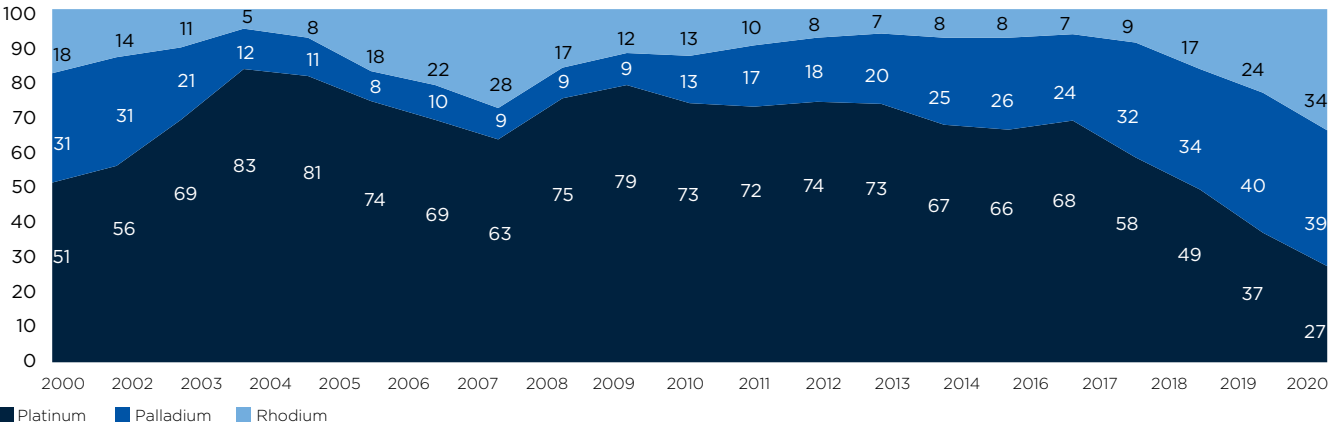


PGM 3E production by volume (%)



Source: Department of Mineral Resources and Energy

PGM 3E income split (%)



Source: Johnson Matthey, Department of Mineral Resources and Energy, Minerals Council South Africa

OUR COMMODITIES: METALS AND MINERALS

PLATINUM GROUP METALS (PGMs)

Hydrogen economy

The advent of the hydrogen economy is an opportunity for the use of PGMs in various applications e.g. fuel cells for mobility and electricity generation. South Africa, through the Department of Science and Innovation, has started developing some prototypes in these two applications. To derive optimal benefits from this initiative, continuous research and development is key to remain competitive. The hydrogen economy is expected to be a significant driver of PGM demand for the foreseeable future, particularly given the global drive to reduce carbon emissions.

“The hydrogen economy is expected to be a significant driver of PGM demand for the foreseeable future in the global drive to reduce carbon emissions.”

South African PGM production and sales

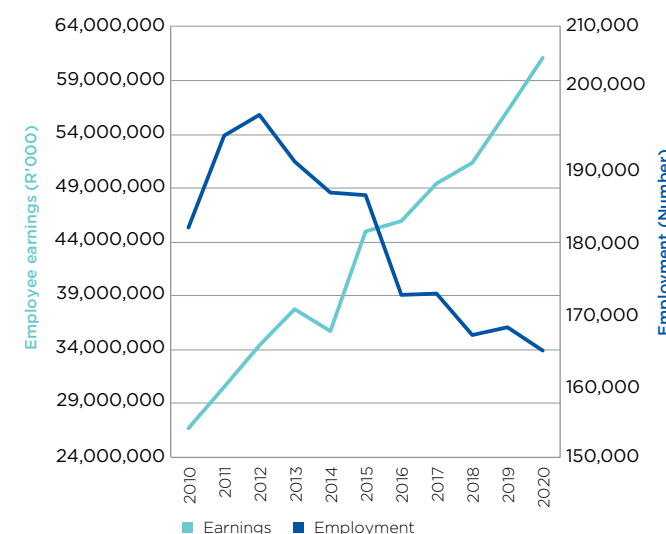
	Production	Local sales		Export sales		Total sales	
	Tonnes	Tonnes	R'000	Tonnes	R'000	Tonnes	R'000
2010	287	-	7,892,570	244	65,894,341	-	73,786,910
2011	289	-	10,619,219	244	73,234,047	-	83,853,266
2012	254	-	8,285,235	211	60,918,939	-	69,204,174
2013	264	28	8,886,103	239	75,348,535	266	84,234,637
2014	188	28	10,644,402	202	66,860,760	230	77,505,163
2015	276	32	11,149,886	254	82,988,098	286	94,137,984
2016	264	31	11,093,840	250	85,318,461	282	96,412,301
2017	262	32	11,966,660	251	85,069,237	283	97,035,896
2018	271	24	10,668,195	244	94,228,661	268	104,896,855
2019	268	16	11,441,132	227	124,585,015	243	136,026,147
2020	226	15	17,189,499	178	173,241,908	193	190,431,408

Source: Department of Mineral Resources and Energy

PGM sector employment and earnings

	Employment	Earnings (R'000)
2010	181,969	2,668,8348
2011	194,745	3,048,1697
2012	197,752	3,439,3197
2013	191,260	37,710,446
2014	186,864	35,652,303
2015	186,465	44,955,363
2016	172,556	45,926,200
2017	172,760	49,484,308
2018	167,037	51,409,606
2019	168,126	56,216,327
2020	164,782	61,083,414

Source: Department of Mineral Resources and Energy



OUR METALS AND MINERALS

COAL

2020 KEY FEATURES



R130.5 billion
Total sales



91,649
Direct employees



R30.5 billion
Employee earnings

**“South Africa
derives over 70% of its
energy requirements
from coal.”**

 Glencore Coal – Tweefontein

OUR METALS AND MINERALS

COAL

For the second consecutive year coal sales declined to approximately R130.5 billion in 2020 (2019: R141.4 billion). Total sales volumes recorded 247.6 million tonnes (Mt) in 2020 from 265.1Mt in 2019.

Prices were further subdued in 2020, averaging \$65.7/t compared to \$71.9/t the previous year.

One of the biggest constraints to exports is the Overvaal tunnel and there was hope that Transnet would increase its capacity. Those hopes have been dashed since the state utility has decided to permanently put the project on hold.

South Africa derives over 70% of its energy requirements (electricity and liquid fuels) from coal. Eskom, the country's biggest domestic consumer of coal is on a path of using green technologies to generate electricity and this means that in the coming years its demand for coal will decline significantly.

In 2020, the coal industry employed 91,649 people (2019: 95,221).

**Total sales
volumes recorded**

247.6Mt

South African coal production and sales

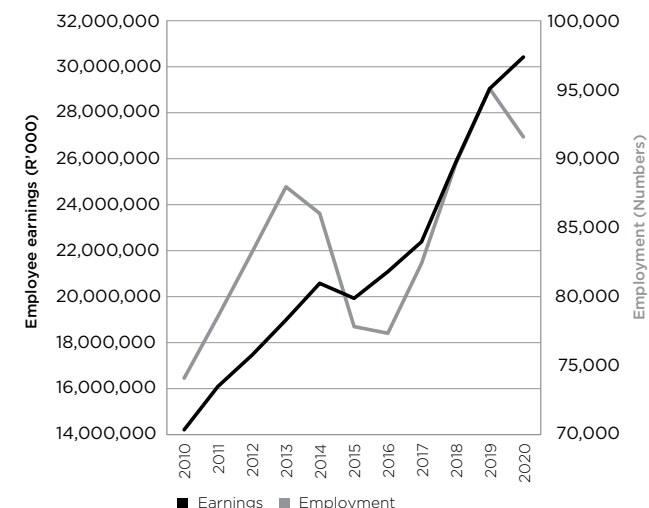
	Production	Local sales		Export sales		Total sales	
	Tonnes '000	Tonnes '000	R'000	Tonnes '000	R'000	Tonnes '000	R'000
2010	257,206	186,366	33,702,229	66,770	37,477,184	253,136	71,179,413
2011	250,706	177,889	37,253,525	68,807	50,548,678	246,697	87,802,202
2012	259,012	185,548	44,091,664	76,009	52,226,904	261,556	96,318,568
2013	256,563	183,950	49,603,015	74,566	51,813,484	258,516	101,416,499
2014	261,949	184,416	55,255,702	75,823	51,452,471	260,239	106,708,172
2015	252,176	179,135	56,574,200	75,376	47,543,139	254,511	104,117,339
2016	250,653	183,213	61,962,133	69,140	50,579,004	252,353	112,541,137
2017	252,232	172,383	63,219,040	78,970	67,045,866	251,353	130,264,906
2018	253,546	171,779	68,727,949	79,569	77,043,285	251,348	145,771,235
2019	258,490	194,818	86,039,681	70,293	55,368,496	265,111	141,408,178
2020	247,110	187,892	84,982,141	59,678	45,558,726	247,570	130,540,867

Source: Department of Mineral Resources and Energy

Coal sector employment and earnings

	Employment	Earnings (R'000)
2010	74,025	14,186,482
2011	78,579	16,068,639
2012	83,244	17,445,779
2013	88,039	18,949,314
2014	86,106	20,594,652
2015	77,747	19,932,153
2016	77,259	21,111,665
2017	82,372	22,441,979
2018	89,790	25,948,907
2019	95,221	29,141,076
2020	91,649	30,516,069

Source: Department of Mineral Resources and Energy



OUR COMMODITIES: METALS AND MINERALS

IRON ORE

2020 KEY FEATURES



R86.5 billion
Total sales



20,490
Direct employees



R7.5 billion
Employee earnings

“Employment in the iron ore industry increased by 3.6% in 2020.”

 Kumba Iron Ore - Kolomela

OUR METALS AND MINERALS

IRON ORE

In 2020, total iron ore Rand sales increased by a notable 22.5% on 2019. Volumes sold declined by 3% over the same period. The increase in Rand sales is noteworthy given the fact that the Dollar prices of iron ore declined by 8.7% during the year, from an average of US\$72 per tonne in 2019, to US\$66 dollars per tonne in 2020.

The exchange rate weakened by 13.9% in 2020, which would have offset the Dollar price declines, however, not to the extent of the Rand sales increase, highlighting the significance of the increase in total sales. The total sales increase was driven by export sales which increased by 28.1%, while domestic sales declined by 42.1%. In volume terms, exports account for 91%.

In 2020, production declined by 23.2%, which can be attributable to the economic disruption associated with the COVID-19 pandemic.

Employment in the iron ore industry increased by 3.6% in 2020 to 20,490. This is the fifth consecutive year of employment increases in the sector. However, the employment in the sector is still below its 2012 peak of 23,380 people.

South African iron ore production and sales

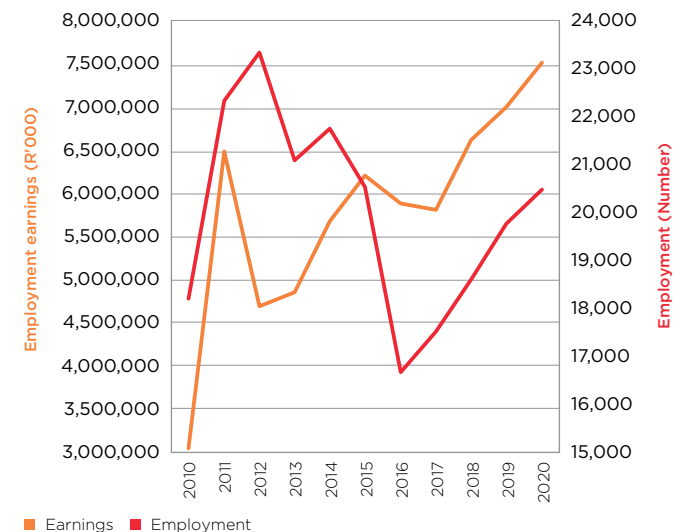
	Production	Local sales		Export sales		Total sales	
	Tonnes	Tonnes	R'000	Tonnes	R'000	Tonnes	R'000
2010	58,709,330	10,560,910	3,270,326	47,492,581	40,148,279	58,053,491	43,418,606
2011	58,056,897	9,844,323	4,207,746	51,890,937	58,444,148	61,735,260	62,651,894
2012	67,100,474	8,392,835	4,448,978	57,109,694	48,193,830	65,502,529	52,642,808
2013	71,644,761	9,295,336	5,776,442	58,180,390	57,360,500	67,475,726	63,136,942
2014	80,741,034	9,571,453	5,741,815	61,944,607	52,944,638	71,516,060	58,686,453
2015	72,805,534	7,512,691	5,071,073	64,175,896	34,394,014	71,688,587	39,465,086
2016	66,450,089	6,160,597	3,855,830	58,392,326	39,240,118	64,552,923	43,095,948
2017	74,789,394	7,177,079	5,187,033	60,678,253	44,188,638	67,855,332	49,375,671
2018	74,272,974	8,024,968	5,732,580	61,715,193	45,529,223	69,740,161	51,261,803
2019	72,406,782	7,548,006	5,630,784	60,582,727	65,040,115	68,130,733	70,670,899
2020	55,635,308	5,885,791	3,260,059	60,177,593	83,304,860	66,063,384	86,564,919

Source: Department of Mineral Resources and Energy

Iron ore sector employment and earnings

	Employment	Earnings (R'000)
2010	18,216	30,37,418
2011	22,360	6,506,608
2012	23,380	4,690,573
2013	21,127	4,848,253
2014	21,794	5,691,818
2015	20,554	6,218,976
2016	16,651	5,894,901
2017	17,510	5,825,750
2018	18,613	6,641,463
2019	19,777	7,025,315
2020	20,490	7,537,049

Source: Department of Mineral Resources and Energy



OUR COMMODITIES: METALS AND MINERALS

GOLD

2020 KEY FEATURES



R86.4 billion

Total sales



94,399

Direct employees



R26.9 billion

Employee earnings

“For the seventh year running, gold production dipped despite higher prices.”

■ Gold Fields – South Deep

OUR METALS AND MINERALS

GOLD

In 2020 gold production in South Africa declined by 8.9% to 96 tonnes (2019: 105 tonnes). This is the seventh year running in which production has dipped despite higher prices. Average prices in US\$ per troy ounce were 27% higher in 2020 recording \$1,770 compared to 2019 (\$1,392/oz).

The number of people employed in the industry increased marginally to 94,399 in 2020 from 92,898 in 2019. Total employee earnings also increased slightly from R26.4 billion in 2019 to R26.9 billion in 2020.

Average prices in US\$ per troy ounce were

27%

higher in 2020

South African gold production and sales

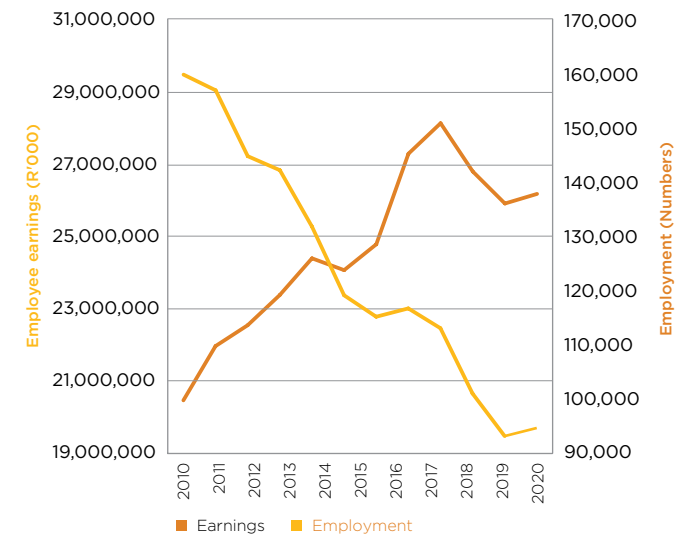
	Production	Local sales		Export sales		Total sales	
	Kg '000	Kg '000	R'000	Kg '000	R'000	Kg '000	R'000
2010	189	7	2,055,698	177	51,037,449	184	53,093,147
2011	180	10	3,633,111	176	65,258,302	186	68,891,413
2012	155	11	4,862,748	165	71,961,757	176	76,824,504
2013	160	10	4,192,863	151	65,793,912	162	69,986,775
2014	152	9	3,450,902	136	59,898,125	145	63,349,026
2015	145	16	7,385,852	118	55,314,075	134	62,699,927
2016	142	26	15,214,101	122	73,210,641	147	88,424,741
2017	137	33	17,292,406	119	64,894,988	152	82,187,393
2018	117	66	35,201,487	64	34,482,018	130	69,683,505
2019	105	76	48,295,654	42	28,336,141	119	76,631,795
2020	96	22	17,580,144	70	68,855,730	92	86,435,874

Source: Department of Mineral Resources and Energy

Gold sector employment and earnings

	Employment	Earnings (R'000)
2010	157,019	19,877,668
2011	144,799	20,840,802
2012	142,201	22,238,338
2013	131,738	23,930,042
2014	119,007	23,383,408
2015	115,030	24,578,384
2016	116,572	28,760,523
2017	112,902	30,167,951
2018	100,793	27,940,254
2019	92,898	26,460,665
2020	94,399	26,904,177

Source: Department of Mineral Resources and Energy



OUR COMMODITIES: METALS AND MINERALS

MANGANESE

2020 KEY FEATURES



R37.6 billion
Total sales



12,274
Direct employees



R4.4 billion
Employee earnings

“The manganese industry exports 95.7% of its output.”

 Tshipi é Ntle Manganese Mining – Tshipi Borwa mine

OUR METALS AND MINERALS

MANGANESE

Manganese production declined by 5.5% in 2020. Total volume sales increased by 3%, although in value terms, sales decreased by 16.3%. Exports in value terms declined 19.5%. The manganese industry exports 95.7% of its output, therefore the total sales statistics are predominately a mirror image of the export sales statistics.

A notable attribute of the manganese industry in 2020 is the 9.4% increase in employment. Equally noteworthy is the fact that this is the fifth consecutive year of employment gains for the sector.

In recognition of the significant potential that the South African manganese endowment presents to the country, the Minerals Council has developed a list of policy reforms necessary to unlock this potential. The reforms are categorised by immediate (0-36 months), intermediate (60 months), and medium to long-term (60 months and over) time horizons. They are also stratified by manganese ore mining, sintering and ferro-manganese production.

A notable attribute of the manganese industry in 2020 is the

9.4%

increase in employment

Manganese policy reforms to unlock significant potential

	Immediate	Intermediate	Medium to long-term
Manganese ore mining	<ul style="list-style-type: none"> • Adopt a South African incorporated approach to managing the country's manganese endowment • Adopt a National Manganese Strategy, which will form the basis for continued engagement between government, state-owned companies and the mining companies • Policy - initiate regulatory changes that allow private participation in rail and port delivery through concessions • Initiate structured and formal engagements between manganese producers and Transnet, with the aim of developing a framework for future rail and port capacity development/expansion • Strengthen the law-enforcement capacity around mining operations to curb illegal mining, non-compliant operations and manage community disruptions • Continue support for the public-private partnership initiatives in the rehabilitation of the water supply infrastructure 	<ul style="list-style-type: none"> • Private participation in rail and port provision through concessions to drive efficiencies through competition • Attain the optimal rail/road mix of up to 80%/20%. It is acknowledged that the actual outcome may fluctuate due to market dynamics, however, it should be duly maintained to not drop below 60%/40% 	

OUR METALS AND MINERALS

MANGANESE

	Immediate	Intermediate	Medium to long-term
Manganese sinter production	<ul style="list-style-type: none"> Initiate regulatory amendment(s) to open the electricity supply industry for private generation and/or co-generation Allow industrial customers with own-generation capacity to supply excess electricity into the grid – this will improve the financial metrics of energy projects while alleviating energy constraints 	<ul style="list-style-type: none"> Investment incentives (accelerated depreciation, co-investment, tax incentives, etc.) for sinter plant development 	
Manganese alloy production	<ul style="list-style-type: none"> For Eskom generated electricity, terminate the multi year price determination tariff and adopt one that drives efficiencies and cost savings Adopt short-term and long-term negotiated pricing contracts for electricity to power sinter plants and ferro-manganese smelters. This will help the existing capacity in the short-term Expedite the time it takes to negotiate the special tariff contracts Remove subsidies from the price of electricity (amounts to 14% of the tariff) 		<ul style="list-style-type: none"> Investment incentives (accelerated depreciation, co-investment, tax incentives, etc.) for smelter development

South African manganese production and sales

	Production	Local sales		Export sales		Total sales	
	Tonnes	Tonnes	R'000	Tonnes	R'000	Tonnes	R'000
2010	7,171,745	888,389	1,320,564	6,283,356	9,340,026	7,171,745	10,660,590
2011	8,651,842	1,158,712	1,325,213	7,493,130	8,569,854	8,651,842	9,895,067
2012	8,943,415	937,962	1,134,842	8,005,453	9,685,812	8,943,415	10,820,654
2013	10,957,133	1,140,248	1,506,434	9,816,885	12,969,545	10,957,133	14,475,979
2014	14,051,244	1,408,581	1,641,633	12,642,663	14,734,415	14,051,244	16,376,049
2015	15,952,416	1,015,415	860,474	14,937,001	12,657,775	15,952,416	13,518,249
2016	11,527,524	523,333	896,947	11,004,191	18,860,231	11,527,524	19,757,177
2017	14,349,888	766,150	1,726,702	13,583,738	30,614,192	14,349,888	32,340,893
2018	14,918,236	355,027	1,066,479	14,563,209	43,746,990	14,918,236	44,813,469
2019	17,002,978	661,442	1,751,826	16,341,536	43,280,475	17,002,978	45,032,300
2020	16,059,758	2,138,644	2,841,816	15,370,604	34,851,623	17,509,248	37,693,440

Source: Department of Mineral Resources and Energy

“The Minerals Council has developed a list of manganese policy reforms necessary to unlock its significant potential. ”

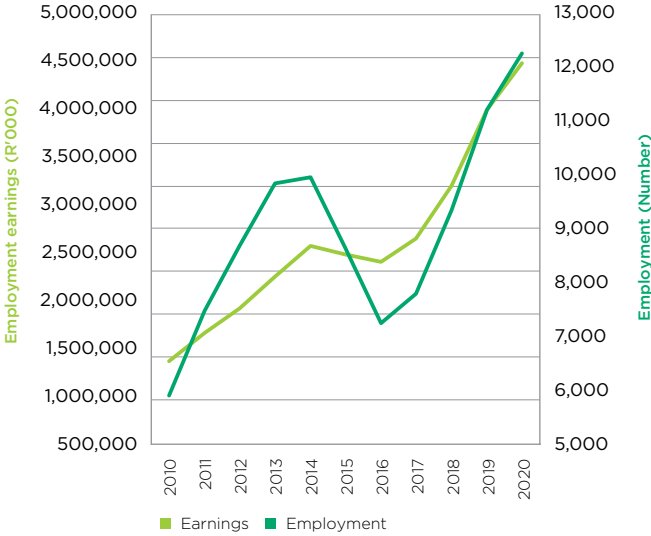
OUR METALS AND MINERALS

MANGANESE

Manganese sector employment and earnings

	Employment	Earnings (R'000)
2010	5,879	946,139
2011	7,460	1,277,636
2012	8,685	1,565,264
2013	9,842	1,946,529
2014	9,971	2,302,129
2015	8,639	2,199,373
2016	7,242	2,118,157
2017	7,780	2,390,916
2018	9,352	3,001,644
2019	11,219	3,885,397
2020	12,274	4,430,034

Source: Department of Mineral Resources and Energy



“This is the fifth consecutive year of employment gains for the manganese sector.”



Ntsimbintle Mining

OUR COMMODITIES: METALS AND MINERALS

CHROME ORE

2020 KEY FEATURES



R18.9 billion
Total sales



19,247
Direct employees



R6.3 billion
Employee earnings

“The biggest domestic constraints that the industry faced relate to rail and port infrastructure.”

 Northam Platinum – Zondereinde

OUR METALS AND MINERALS

CHROME ORE

Chrome ore production was 14.5 million tonnes in 2020 compared to 17.7 million tonnes in 2019. The chrome ore trade data from the DMRE seems to be incorrect since it indicates local sales volumes were much higher than export sales. The Minerals Council has brought this matter to the attention of the DMRE, who have in turn committed to investigate the issue. The numbers presented in this publication are as published by the DMRE.

The biggest domestic constraints that the industry faced relate to rail and port infrastructure. A study commissioned by the industry identified about 40 initiatives that would further unlock chrome exports. Addressing these constraints would result in increased revenue by a minimum of R800 million for Transnet and a cost savings of up to R600 million for the industry.

“The biggest domestic constraints that the industry faced relate to rail and port infrastructure.”

South African chrome ore production and sales

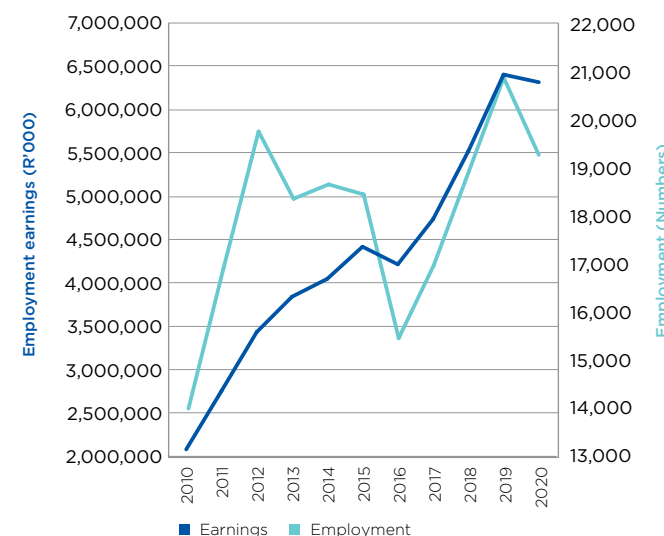
	Production	Local Sales		Export Sales		Total Sales	
	Kt	Kt	R'000	Kt	R'000	Kt	R'000
2010	10,871	7,267	4,159,308	1,929	2,459,473	9,196	6,618,781
2011	11,865	7,202	5,227,339	2,152	3,649,136	9,354	8,876,475
2012	11,317	6,683	4,681,855	2,470	3,594,282	9,152	8,276,137
2013	13,690	8,483	5,870,717	4,168	5,891,833	12,651	11,762,549
2014	14,038	10,048	7,771,424	3,695	5,834,876	13,743	13,606,301
2015	15,656	9,833	8,093,409	4,821	8,104,128	14,654	16,197,537
2016	14,708	8,726	8,164,638	4,684	9,541,381	13,410	17,706,019
2017	16,671	9,060	11,027,040	4,539	12,396,254	13,600	23,423,293
2018	17,850	9,955	11,755,253	4,065	10,045,204	14,020	21,800,457
2019	17,656	10,302	11,854,069	5,245	10,453,314	15,547	22,307,382
2020	14,513	8,928	10,172,822	4,647	8,731,865	13,575	18,904,688

Source: Department of Mineral Resources and Energy

Chrome ore sector employment and earnings

	Employment	Earnings (R'000)
2010	13,982	2,082,481
2011	16,911	2,754,694
2012	19,762	3,434,492
2013	18,359	3,840,559
2014	18,658	4,046,774
2015	18,449	4,416,943
2016	15,449	4,213,906
2017	16,968	4,733,924
2018	18,922	5,517,399
2019	20,884	6,399,648
2020	19,274	6,311,763

Source: Department of Mineral Resources and Energy



OUR COMMODITIES: METALS AND MINERALS

NON-FERROUS METALS

2020 KEY FEATURES



R15.7 billion
Total sales



19,246
Direct employees



R6.7 billion
Employee earnings

“This non-ferrous segment of the publication is a new addition.”

 Palabora Mining Company

OUR METALS AND MINERALS

NON-FERROUS METALS

South Africa is well endowed with multiple minerals as depicted in this non-ferrous segment of the publication, which is a new addition. The non-ferrous metals, particularly those highlighted in this segment are key battery minerals important for clean energy.

South African non-ferrous metals production

	Production				
	Cobalt	Copper	Lead	Nickel	Zinc
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
2010	840	83,639	50,625	39,962	36,142
2011	862	89,297	54,460	43,320	36,629
2012	1,102	69,859	52,489	45,946	37,034
2013	1,294	80,821	41,848	51,208	30,145
2014	1,332	78,697	29,348	54,956	26,141
2015	1,362	77,360	34,573	56,689	29,040
2016	1,101	65,257	39,344	48,994	26,695
2017	1,064	65,523	48,150	48,437	30,778
2018	1,007	46,900	35,118	43,236	28,129
2019	1,027	52,516	42,936	43,466	125,157
2020	897	29,068	28,048	34,908	160,816

Source: Department of Mineral Resources and Energy

South African non-ferrous metals sales

Commodity	R'000	% of sales
Nickel	7,407,549	47
Zinc	5,017,549	32
Copper	2,410,330	15
Lead	694,094	4
Cobalt	239,449	2
Total Non-Ferrous Sales	15,768,971	100

Source: Department of Mineral Resources and Energy

These metals contribute

R15.7 billion

to South Africa's mineral sales and employ 19,246 direct employees.

OUR METALS AND MINERALS

NON-FERROUS METALS

South African non-ferrous metals total sales

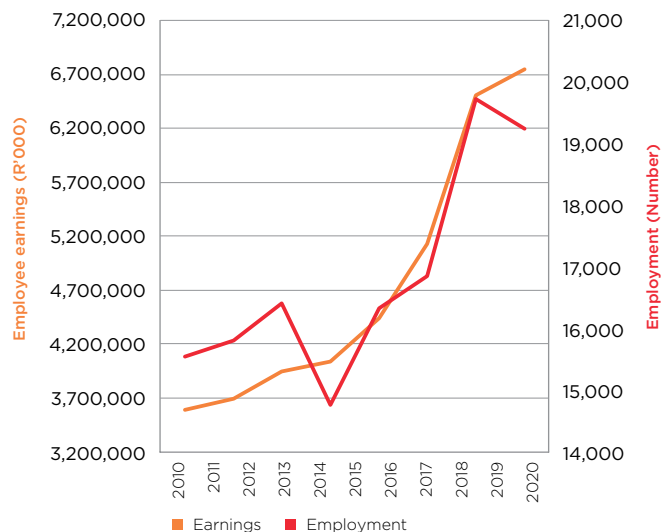
	Cobalt	Copper	Lead	Nickel	Zinc	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2010	151,534	4,369,326	696,738	5,984,753	323,214	11,525,565
2011	125,245	5,432,849	762,929	6,402,191	402,566	13,125,781
2012	154,759	5,155,061	811,498	6,432,346	444,536	12,998,201
2013	205,093	5,817,573	683,220	6,947,820	335,687	13,989,394
2014	260,709	5,950,553	659,777	9,135,386	455,631	16,462,057
2015	275,855	5,200,951	511,477	8,311,641	447,493	14,747,416
2016	232,124	3,744,887	884,986	7,100,366	538,325	12,500,688
2017	395,989	4,327,545	1,419,829	6,267,622	990,268	13,401,254
2018	411,184	4,077,841	1,008,096	6,712,840	802,282	13,012,244
2019	285,223	3,229,786	1,129,441	7,226,487	3,545,867	15,416,804
2020	239,449	2,410,330	694,094	7,407,549	5,017,549	15,768,971

Source: Department of Mineral Resources and Energy

Non-ferrous metals sector employment and earnings

	Employment	Earnings (R'000)
2010	-	-
2011	-	-
2012	-	-
2013	15,539	3,590,044
2014	15,816	3,690,718
2015	16,414	3,947,029
2016	14,754	4,041,599
2017	16,325	4,439,916
2018	16,862	5,125,276
2019	19,721	6,503,742
2020	19,246	6,746,112

Source: Department of Mineral Resources and Energy



“Non-ferrous metals are key battery minerals important for clean energy.”

OUR COMMODITIES: METALS AND MINERALS

DIAMONDS

2020 KEY FEATURES



R13.2 billion
Total sales



13,939
Direct employees



R4.5 billion
Employee earnings

“The diamond industry has identified some initiatives that could unlock the industry’s potential.”

 Petra Diamonds - Ekapa Mining JV

OUR METALS AND MINERALS

DIAMONDS

Diamond production increased by 18% from 7.2 million carats in 2019 to 8.5 million carats in 2020. Domestic volume sales increased 35.9% while export volume sales decreased 5.9%. The export to local sales is split 82%/18%, in volume terms.

Employment in the industry declined by 8.7%, and total remuneration to employees also declined by 9.3%.

The diamond industry has identified a number of initiatives that could unlock the industry's potential. These include addressing the following issues:

- Diamond Export Levy Act
- State Diamond Trader
- The Diamond Exchange and Export Centre
- S74 Exemption
- Focus on creating a conducive investment environment for beneficiating diamonds in South Africa
- Remove the payment of VAT on imports - there is no other major diamond cutting country that imposes this tax on its beneficiating industry (i.e. the VAT cost with refunds only 4 months later)

South African diamond production and sales

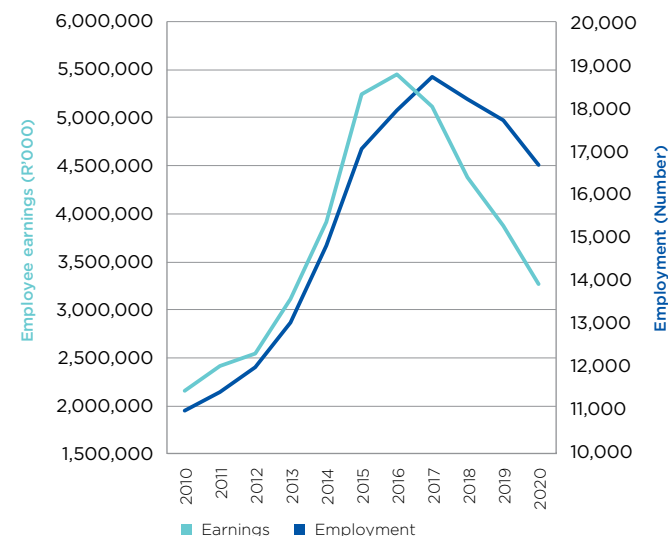
	Production	Local sales		Export sales		Total sales	
	Carats	Carats	R'000	Carats	R'000	Carats	R'000
2010	8,869,532	-	-	-	-	-	-
2011	7,046,277	-	-	-	-	-	-
2012	7,245,402	-	-	-	-	-	-
2013	8,159,531	3,425,339	7,552,445	3,768,082	4,792,191	7,193,421	12,344,635
2014	8,095,037	3,168,609	8,800,678	5,619,831	7,730,529	8,788,440	16,531,206
2015	8,229,657	3,138,546	8,613,267	4,650,483	5,811,860	7,789,029	14,425,128
2016	8,302,110	1,609,160	8,325,338	9,002,389	12,435,825	10,611,549	20,761,163
2017	9,678,752	1,015,882	7,912,460	9,118,652	10,230,438	10,134,534	18,142,898
2018	9,914,612	1,427,590	7,186,242	8,869,716	10,074,788	10,297,306	17,261,029
2019	7,176,996	945,737	5,499,937	6,273,530	7,664,806	7,219,267	13,164,743
2020	8,471,642	1,284,873	5,151,826	5,901,679	8,119,626	7,186,552	13,271,453

Source: Department of Mineral Resources and Energy

Diamond sector employee and earnings

	Employment	Earnings (R'000)
2010	11,467	1,956,333
2011	12,047	2,141,484
2012	12,332	2,408,198
2013	13,579	2,870,536
2014	15,356	3,663,455
2015	18,313	4,677,942
2016	18,789	5,072,996
2017	18,038	5,430,360
2018	16,391	5,198,824
2019	15,274	4,967,785
2020	13,939	4,505,054

Source: Department of Mineral Resources and Energy





MINERALS COUNCIL
SOUTH AFRICA

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www.mineralscouncil.org.za

T +27 11 498 7100
E info@mineralscouncil.org.za

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5 Hollard Street, Johannesburg 2001
PO Box 61809, Marshalltown 2107