



Northam Platinum

# STATE OF THE MINING NATION

## LAUNCH OF FACTS & FIGURES POCKETBOOK

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**MINERALS COUNCIL**  
SOUTH AFRICA

# Presentation outline

Despite challenges, #MiningMatters

Longer-term mining output trends

Multiple shocks in recent years

A cautiously optimistic outlook



# Despite challenges facing sector, #MiningMatters

## MINING AT A GLANCE

Snapshot 2023<sup>1</sup>:



44% of value of all merchandise (goods) exports

Value of production	Direct GDP contribution <sup>2</sup>	Percentage contribution to GDP	Total primary sales	Minerals exports	Employment <sup>3</sup>
<b>R1.1 trillion</b>	<b>R425.6 billion</b>	<b>6.2%</b>	<b>R786.2 billion</b>	<b>R781.6 billion</b>	<b>477,000</b>
(2022: R1.2 trillion)	(2022: R483.3 billion)	(2022: 7.3%)	(2022: R883.5 billion)	(2022: R882.8 billion)	(2022: 469,353)
Employee earnings	PAYE by mining employees	VAT (net outflows)	Company tax paid	Royalties <sup>4</sup>	
<b>R186.5 billion</b>	<b>R31.3 billion</b>	<b>R37.2 billion</b>	<b>R89.9 billion</b>	<b>R14.1 billion</b>	
(2022: R174.2 billion)	(2022: R27.1 billion)	(2022: R28.9 billion)	(2022: R73.6 billion)	(2022: R25.3 billion)	

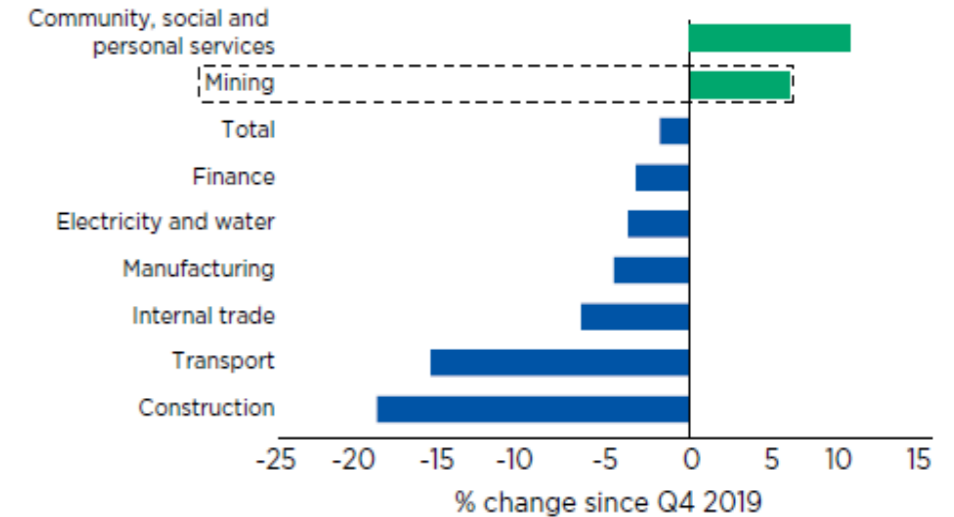
<sup>1</sup> Estimates are based on the most recent data available up to the date of this publication.

<sup>2</sup> Based on current market prices.

<sup>3</sup> Full year employment estimate based on most recent data available up to the third quarter of 2023.

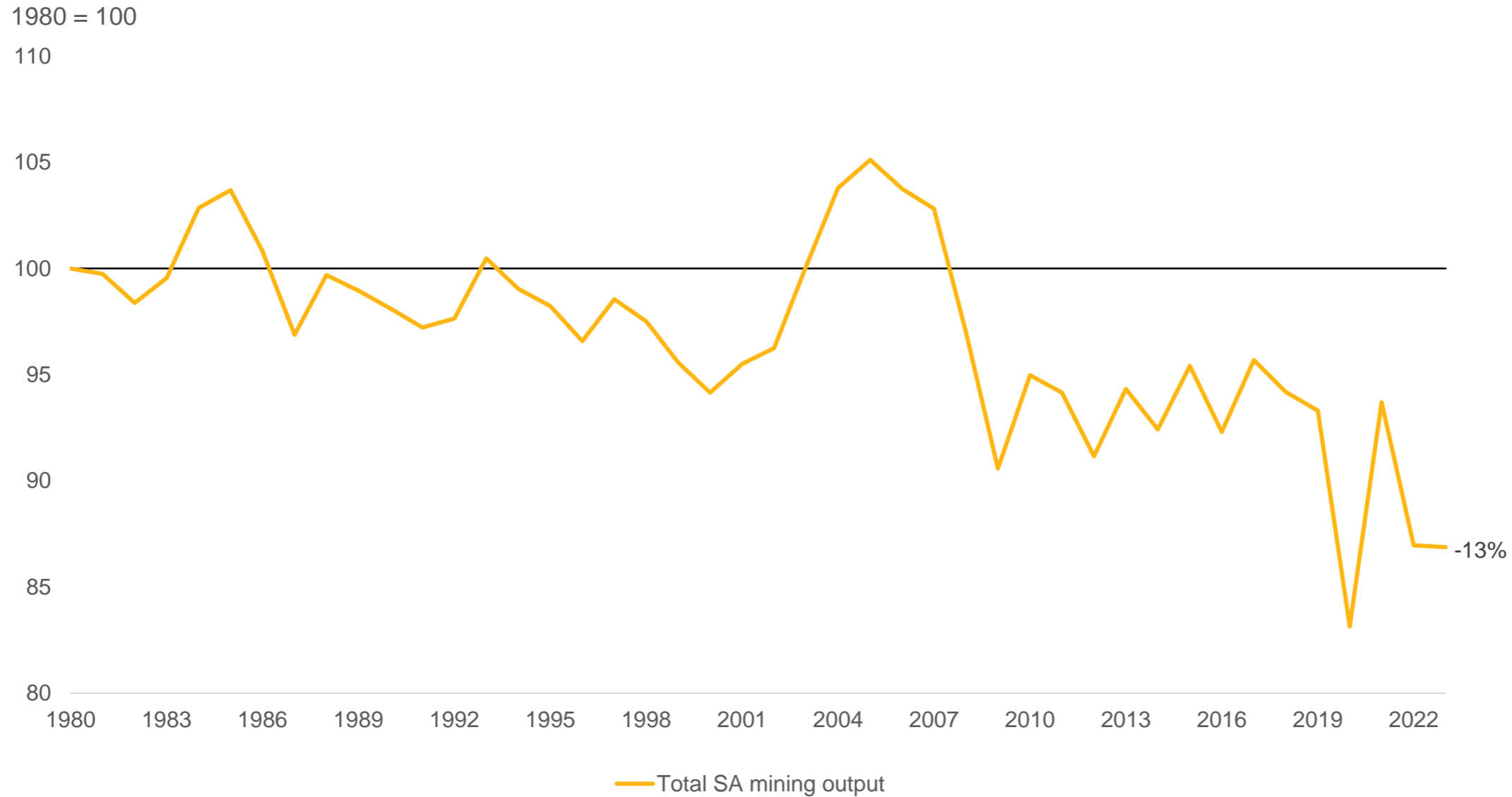
<sup>4</sup> Based on National Treasury's estimates as in the Statement of National Revenue, Expenditure and Borrowing from April 2023 to October 2023.

## Formal non-agricultural employment trends

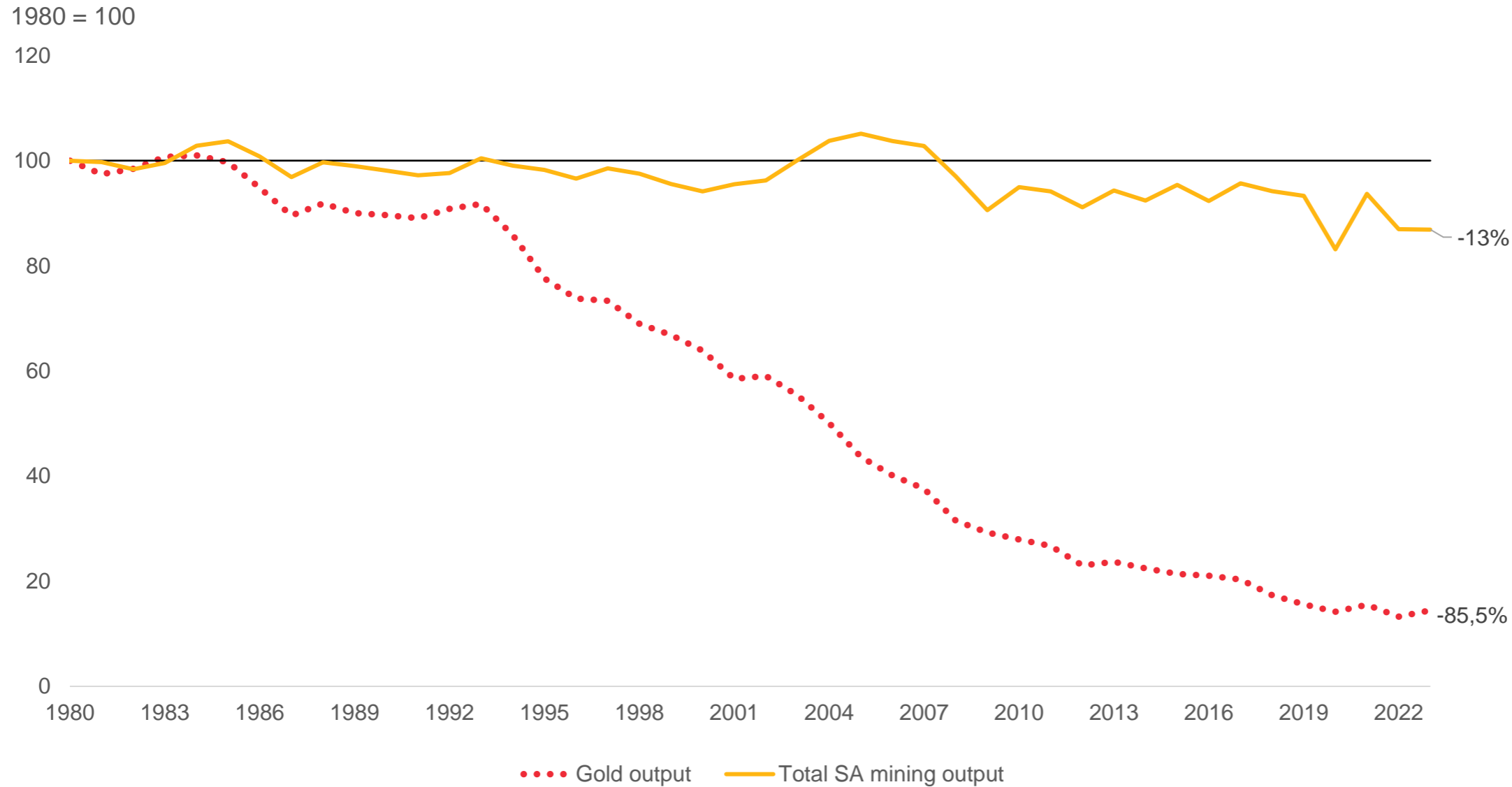


- Mining employment up by 28,400 (6.3%) since Q4 2019

# Longer-term SA real mining output on a declining trend

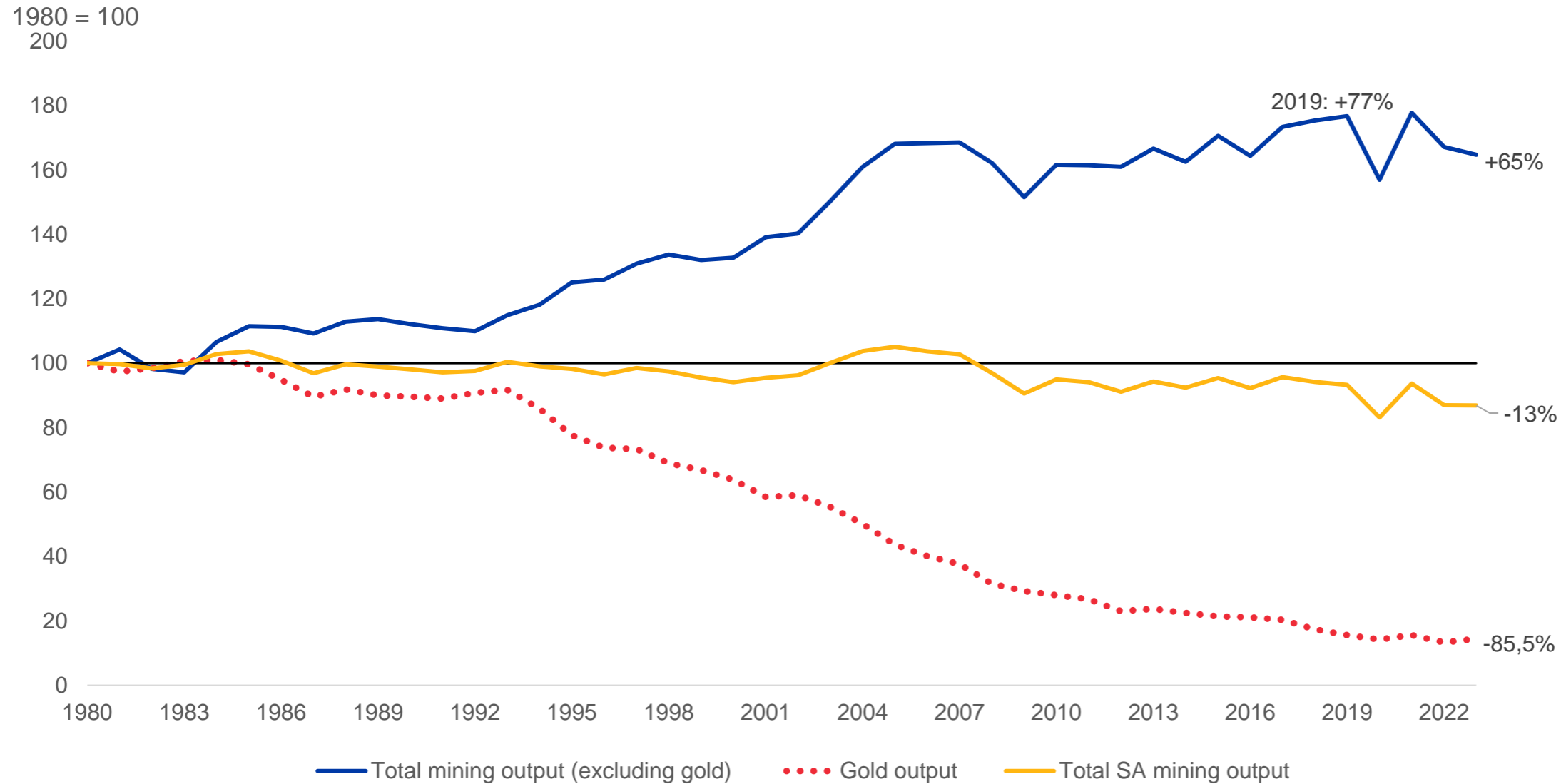


# Longer-term real mining output: Gold versus the rest

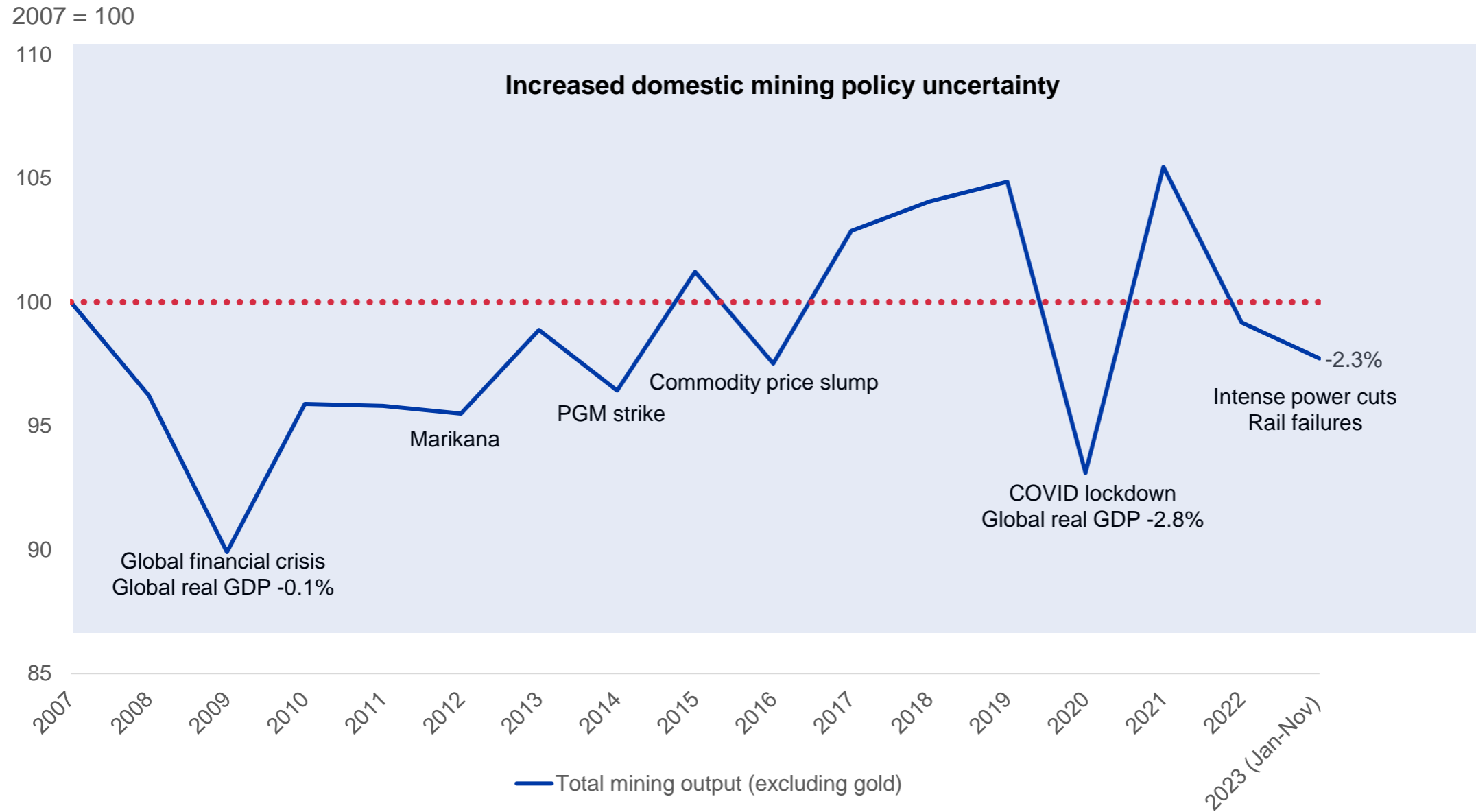


# Longer-term real mining output: Gold versus the rest

	Total mining	Total mining (excl gold)	GDP (excl mining)	Gold	PGMs	Coal	Iron ore	Chrome	Manganese	Diamonds
Ave real annual % change since 94	-0.4	1.3	2,6	-5.8	1.9	0.8	3.4	8.2	8.4	-0.1

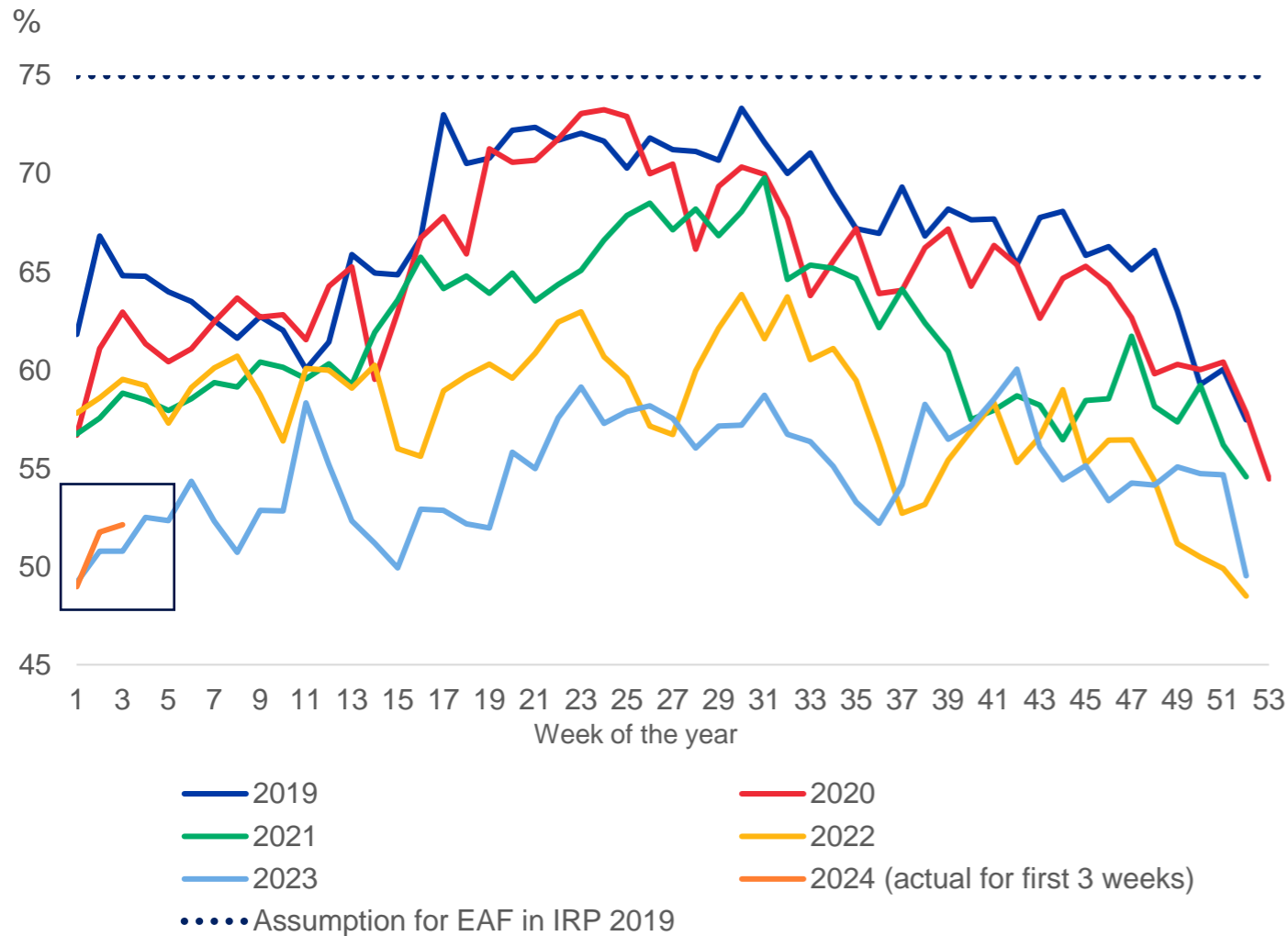


# Multiple shocks since 2008



# 2023: Eskom & Transnet constrain mining

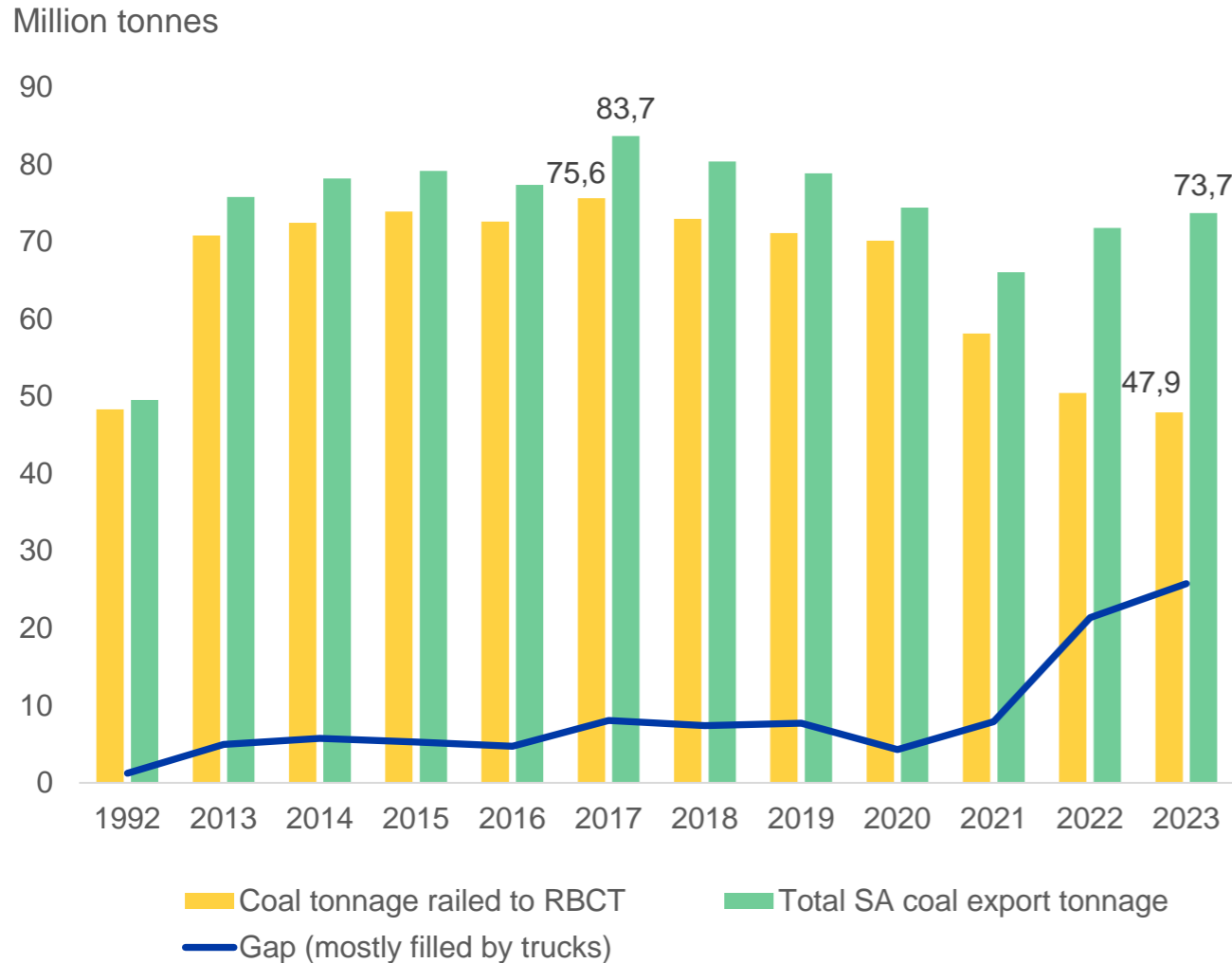
Energy availability factor worsened in 2023, tentative improvement in 2024



- Eskom units return
- More **private sector** capacity
- 5,000MW from bid window 7?
- Use of **curtailment** to support additional green energy capacity in WC and EC
- Large investment required on Eskom **transmission lines**

# 2023: Eskom & Transnet constrain mining

Transnet rail performance slipped further in 2023



■ BUSINESS

## ‘Freight rail crisis may have peaked’

Exporters hope the slump in deliveries has hit rock bottom and they are on the way up

BL PREMIUM

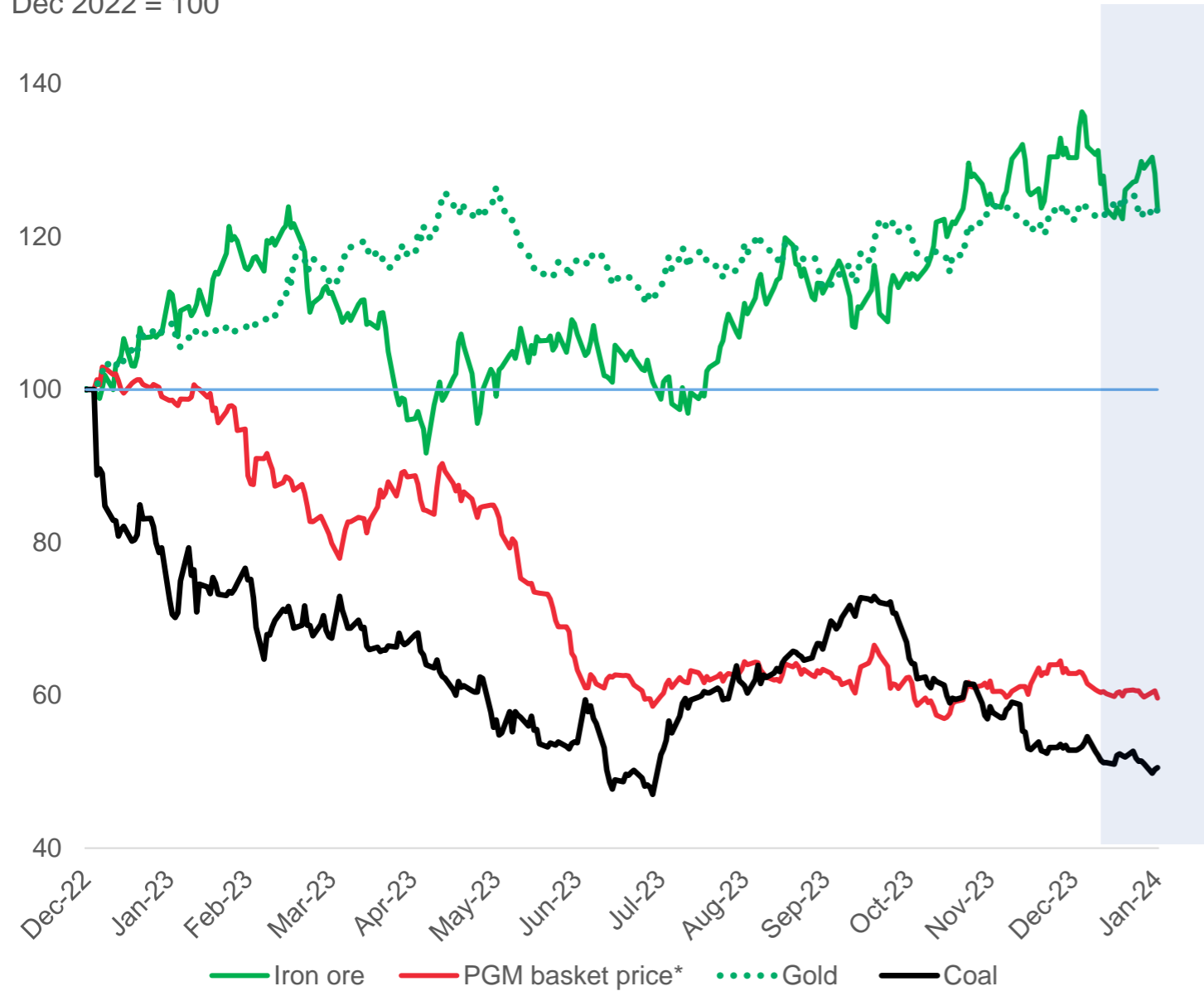
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### Transnet 18-month turnaround plan:

- Permanent **CEOs**
- **Infrastructure manager** to facilitate private sector concessions
- **Budget 2024** - support from **Treasury**, with realistic conditionalities

# 2023: Mixed trends for export commodity prices (R terms)

Dec 2022 = 100



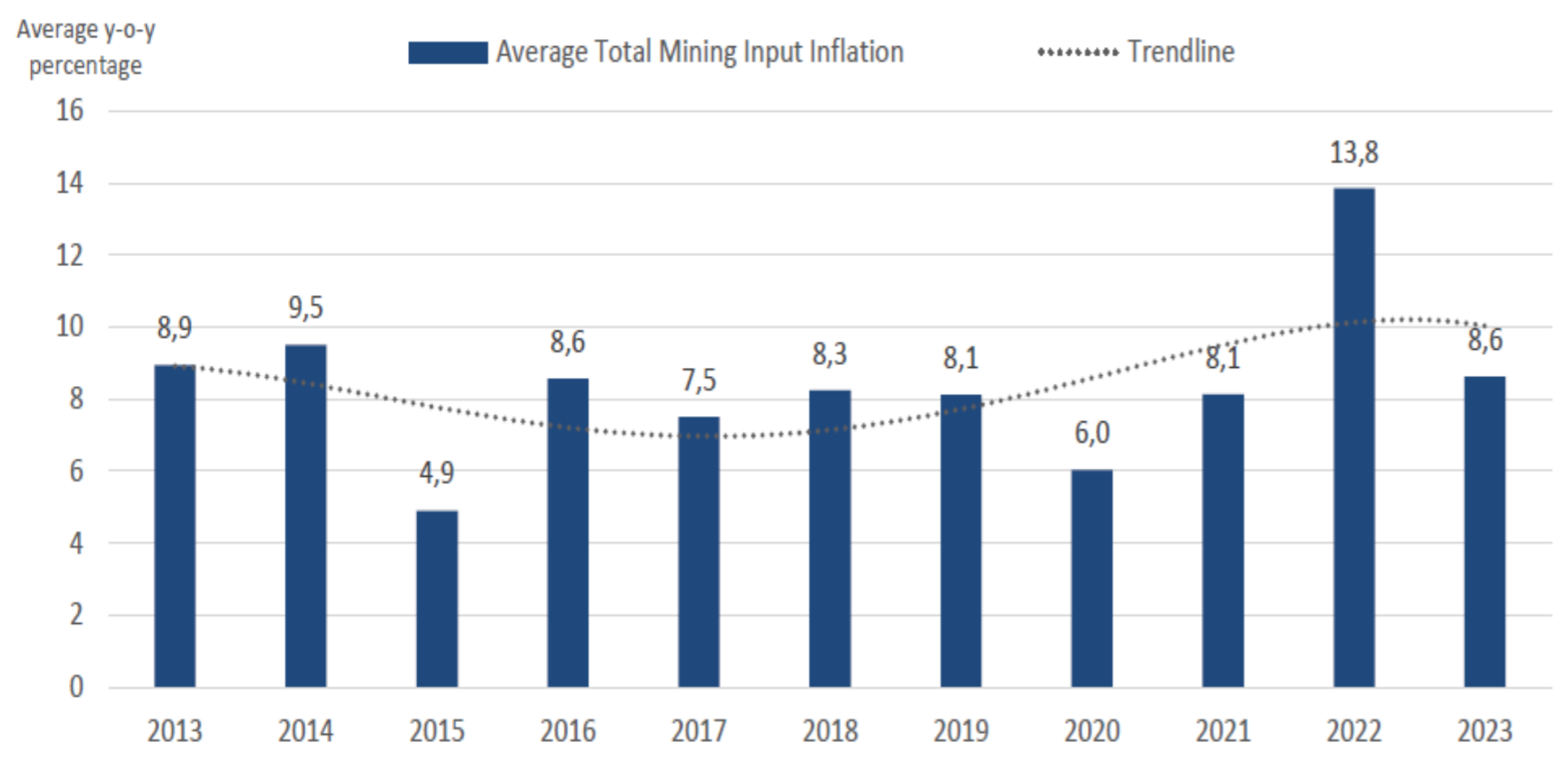
\*Platinum, palladium & rhodium

Latest IMF real GDP growth forecasts

y-o-y % change	2023	2024	
		Oct	Jan
Global	3,1	2,9	3,1
China	5,2	4,2	4,6
US	2,5	1,5	2,1
Eurozone	0,5	1,2	0,9
UK	0,5	0,6	0,6

- **Geopolitics** remain top of mind, supporting **gold** price
- Global **inflation** eased significantly, providing scope for **policy interest rate cuts** in 2024H2
- Global tensions & **SA election** uncertainty should keep **rand** undervalued

# 2023: Mining input costs eased, but remain elevated



- Mining input cost inflation increased by 8.6% y-o-y in 2023
- While still elevated, this was an easing from 13.8% in 2022

# Expectations from Mining Indaba/SONA

- Indication of implementation timelines for **mining cadastre system**
- Once operational (most likely in 2025), **cadastre** could be game changer for **mining exploration** in SA
- Further indication of **production/capex response** from mining companies amid tough operating environment
- SONA: Possible hint of forthcoming **Transnet financial support** in Budget (21 Feb)
- Possible announcement of **election date**



Gold Fields – South Deep

# Thank you

# #MiningMatters

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