

MEDIA STATEMENT

Chrome producers and ferrochrome smelters reject a proposed chrome ore export tax, and are united in the need for competitive electricity tariffs

Johannesburg, 1 December 2025. Chrome ore producers, including primary miners and those generating chrome ore from their platinum group metals mines and integrated producers, which mine chrome ore and produce ferrochrome, represented by the Ferro Alloy Producers Association (FAPA), are aligned on the fundamental need for globally competitive electricity prices as the primary intervention required to restart idled smelters.

The industry remains united in its commitment to safeguard the ferrochrome and broader ferroalloy sector, to continue adding value to South Africa's mineral endowment, and to support domestic manufacturers. Any interventions in addition to an electricity tariff adjustment must be balanced, equitable and supportive of the competitiveness of both chrome mining and ferrochrome beneficiation.

Both groups are clear that the price and availability of chrome ore is not the cause of South Africa's ferrochrome smelter closures or suspensions. Instead, the more than 900% increase in electricity tariffs since 2008 has rendered domestic smelters uncompetitive and unprofitable.

Without an intervention that directly addresses the electricity cost burden, no trade measures, including a chrome ore export tax or quotas, will restore meaningful viability to the country's ferroalloy smelters. Both miners and smelters, therefore, reject recently mooted calls for an export tax or restrictions, as these would harm chrome ore producers without materially assisting smelter recovery.

The solution for restarting ferrochrome, silicon and manganese smelters is clear: the sustainable provision of electricity at globally competitive tariffs, not measures that disadvantage non-integrated chrome, manganese and silica producers. Glencore and Samancor Chrome, both operators of ferrochrome smelters, have already proposed a solution requiring no subsidies from government, Eskom or other mining companies.

Smelter operators are exploring the acquisition of renewable energy as a longer-term solution. While this will take time to implement, it will reduce reliance on Eskom and position South Africa's ferroalloy producers to minimise exposure to Carbon Border Adjustment Mechanism (CBAM) penalties.

Additional measures that could support ferroalloy production include a reduction or temporary suspension of the domestic carbon tax applied to smelters.



FAPA and non-integrated chrome producers also agree on the urgent need to eradicate illegal chrome mining, which generates an estimated R8 billion per year and accounts for roughly 10% of South Africa's chrome ore exports. This requires comprehensive intervention by law enforcement agencies, enhanced border controls and stricter, consistently enforced regulations.

The Minerals Council, its members and FAPA, with its members, propose jointly developing a beneficiation roadmap with the Government to fully understand and enact the measures that will encourage industrialisation, incentives and a conducive regulatory environment that encourages and sustains investment in exploration, mine development, existing mines as well as downstream industrialisation using minerals and metals.

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