

## **MEDIA STATEMENT**

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### **MINING INDABA 2019: MINERALS COUNCIL PUBLISHES FACTS AND FIGURES 2018 POCKETBOOK**

**Johannesburg, 4 February 2019.** The Minerals Council South Africa today published the Facts and Figures 2018 pocketbook, which provides preliminary insights into the latest available trends across South Africa's mining industry, during The State of the Mining Nation media briefing at Mining Indaba 2019.

In 2018, the mining industry:

- contributed R356 billion to GDP (2017: R335 billion)
- contributed R93 billion to fixed investment
- sold R475 billion in primary minerals sales
- paid R22 billion in taxes (a R3 billion or 16% increase on 2017) and R7.6 billion royalties (a 31% increase on 2017)
- paid employees R127.4 billion (R126 billion in 2017) and contributed R21 billion to PAYE on behalf of employees
- employed 453,543 people, resulting in around 1.4 million indirect jobs
- based on estimates, these employees supported around 4.5 million dependants

During 2018 the mining industry's growth rate was greater than that of the national economy, albeit that the national growth rate of 1.2% was disappointing.

It is pleasing that employment in some sectors grew during the period (coal, iron ore, manganese and chrome). However, this growth is masked by reductions in employment in gold and platinum, resulting in a net job loss in the sector.

The industry experienced an input cost inflation of approximately 6%. Industrial chemicals and petroleum were key drivers of the inflation profile. On aggregate, rand commodity prices increased by 1.7%, representing a substantial negative differential between input cost inflation and selling price inflation.

Due to the combination of rand commodity prices stagnating since their peak at the beginning of 2017, and costs rising faster than the prices received, the mining industry has been in a 'profit



squeeze' for at least the last five years. This has had a direct negative impact on dividend payments to investors.

*Mining plays a significant role in the economy of South Africa. The Minerals Council is of the view that it is critically important for data related to our industry to be freely available and easily accessible in order for stakeholders to be well informed about the state of the mining industry and the contribution it makes.*

*The pocketbook, prepared by the Minerals Council's economics department, provides preliminary insights into the latest available trends in South Africa's mining industry and is a precursor to the more comprehensive Facts and Figures booklet which is published later in the year.*

The Facts and Figures 2018 pocketbook may be accessed here <https://bit.ly/2S5ZQez>

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