

**SOUTH AFRICA'S MINING SECTOR PERFORMANCE
2024**

DIRECTORATE MINERAL ECONOMICS AND STATISTICS

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**SOUTH AFRICA'S MINING SECTOR PERFORMANCE
2024**

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ISBN: 978-1-83491-187-8

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2. INTRODUCTION



South Africa's Gross Domestic Product (GDP) was estimated at R4.6 trillion in 2024, showing a modest 0.6 percent growth compared with 2023. South Africa's mining sector continued to play a pivotal role in the national economy, contributing 6,1% to the country's nominal GDP. This marks a slight decrease from 6.3% in 2023, reflecting ongoing challenges within the industry. South Africa's mining Gross Value Add (GVA) averaged at R 203 743 million, contributing 4.4 percent to the country's GDP, with manufacturing and the agricultural sectors contributing 11.2 percent and 2.2 percent, respectively in 2024. Mining sector's GVA showed a modest 0.3% growth from R 203 137 million in 2023. In 2024, the South African mining sector continued to face challenges, as subdued commodity prices and persistent logistical constraints offset the benefits gained from the cessation of load shedding since March 2024. While some commodities benefited from rising prices, increased demand, and favourable exchange rates, others suffered from declining markets, oversupply and logistics constraints.

Despite increased production of minerals such as manganese, chromium, vanadium, cobalt, nickel and copper which led to increased total primary mineral sales, profitability pressures driven by subdued commodity prices and rising operational costs continued to limit the sector's overall economic contribution. Declining commodity prices have eroded gains achieved during the previous two years of elevated prices. Furthermore, weak global growth intensified the industry's financial challenges. Despite these challenges, the sector remained a significant source of export revenue, tax revenue and employment which reached 474,736 (direct and contractors).

With South Africa hosting the G20 in late 2025, the mining sector plans to leverage this platform to highlight its mineral wealth and its strategic role in global economic and energy transitions. However, further efforts to address rail capacity constraints, illegal mining, and regulatory challenges remain crucial to fully unlocking the industry's potential. Addressing these challenges requires coordinated efforts between the government, industry stakeholders, and communities to create a more resilient and sustainable mining sector in South Africa.

2. SECTOR HIGHLIGHTS

2.1. Production

- Production indicated overall declines across the industry except for ferrous minerals and PGMs which recorded increases of 3.4% and 1.4%, respectively. The growth was supported by increases from chrome and vanadium, while the decline was largely attributed to gold, diamonds, coal, non-ferrous minerals as well as industrial mineral

FIGURE 1: PERCENTAGE CHANGE IN PRODUCTION.



Precious metals production decreased by 2.1% in 2024 to about 383.4 t, with Gold and silver being the most significant contributors. Diamond also recorded a 1.2% decline in 2024 to about 5.83 Mcts.

Coal production declined marginally by 0.2% to 256.6Mt in 2024, driven by curtailed production prompted by continued inefficiencies in rail transport.

Ferrous minerals production increased by 3.4% in 2024 to about 105.4 Mt, with Chrome and Manganese being the most significant contributors. Iron ore however recorded a 0.6% drop in the same period.

Non-ferrous metals production registered a slight year-on-year contraction of 1.0%, reaching a total output of 2.7Mt. The decline was primarily driven by significant reductions in the production of lead and zinc.

Industrial Minerals production decreased by 0.2 percent to 89.6 Mt in 2024 compared with 89.7 Mt in 2023. The decline is attributed to the sluggish demand, with industrial minerals being reliant on demand.

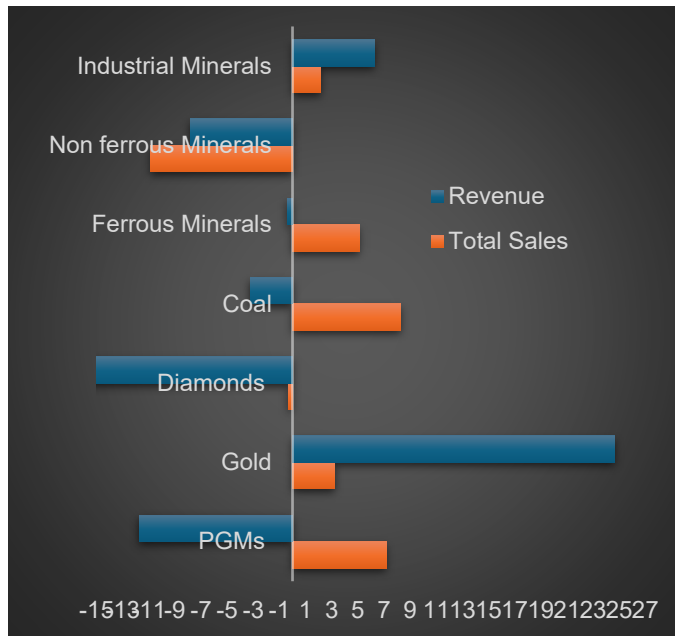
2.2. Sales Mass and Value

Preliminary data shows that, total mining sales quantities recorded a decline y-o-y, across the mining sector with exception of gold and industrial minerals which grew by 3.2% and 2.1%, respectively, (Figure 2). Total minerals sales value increased by 9.1% to R865.8 billion in 2024, from R 793.8 bn recorded in 2023. The increase was supported by improved prices of some metals, despite lower sales quantities and slightly stronger rand-to-dollar exchange rate.

- Precious metal's sales value rose by 1.7% primarily driven by higher gold and PGMs sales mass, increased metal prices, in particular gold and silver, despite the stronger rand to dollar exchange rate. The significant 22.6% rise in gold price reflects its role as a safe-haven asset during period of economic uncertainty.
- Diamond sector's sales value plummeted by 19.2%, driven lower prices and sales mass volumes as well as the R/\$ exchange rate. In addition, global economic uncertainties reduced consumer spending, while an oversupply of lab-grown diamonds continues to divert consumer interest away from natural stones, which further depresses rough diamond prices.
- Despite an 8.3% increase in coal sales volumes, coal sales revenues fell by 3.3% due to a 19.8 percent decline in export prices. Export prices fell from R 1933/t to R1 550/t on the back of suppressed demand from the international market, especially Asia and Europe. Strong demand and prices from the domestic market was not enough to offset the impact of the international market on sales revenue.

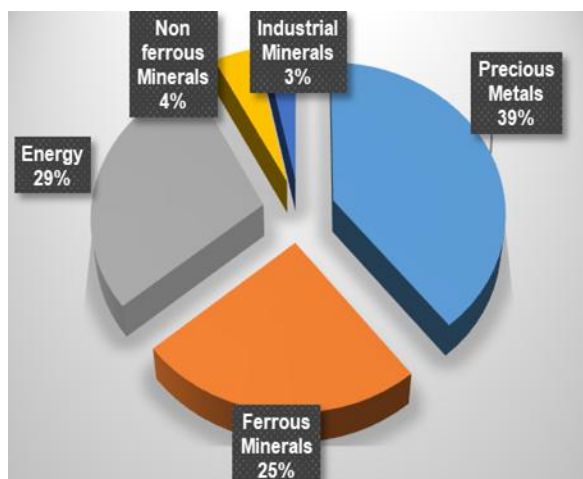
- Ferrous sector’s sales value recorded a slight 0.4% drop despite the 5.1% increase in sales volumes. This decrease was primarily due to a 10.6 percent drop in revenue from the iron ore sector, although growth in other sectors helped to offset the decline.

FIGURE 2: PERCENTAGE CHANGE IN SALES MASS AND VALUE.



- Non-ferrous metals sales revenues fell by 7.8% in line with a 10.7% decline in sales volumes. The lower sales revenues were a consequence of weaker commodity prices, sluggish demand and to a lesser extent, market surplus that led to curtailed output.
- Industrial minerals sales mass increased by 2.1 percent from 86 Mt in 2023 to 87.9 Mt in 2023, driven mainly by improved export capacity on the back of higher volumes traded during the year under review despite lower construction activities. The corresponding sales value in 2024 was R27.4 billion, an expansion of 6.3 percent compared with the previous year, in line with sales mass.

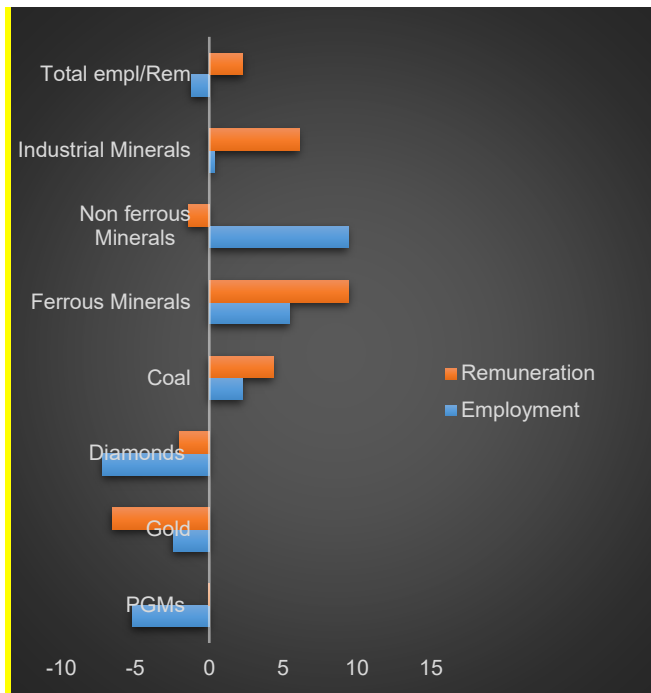
FIGURE 3: PERCENTAGE CONTRIBUTION TO VALUE BY SECTOR.



Precious minerals sector at 39 % of total mining revenue, continued to lead the industry, followed by the energy and ferrous sectors at 29% and 25%, respectively, (Figure 3). Non-ferrous and industrial minerals sectors contributed 4.0% and 3%, respectively. In terms of the top 5 revenue contributors by commodity, Coal, PGMs, gold, and iron ore sectors remain the largest contributors at 27%, 20%, 17% and 11%, in that order.

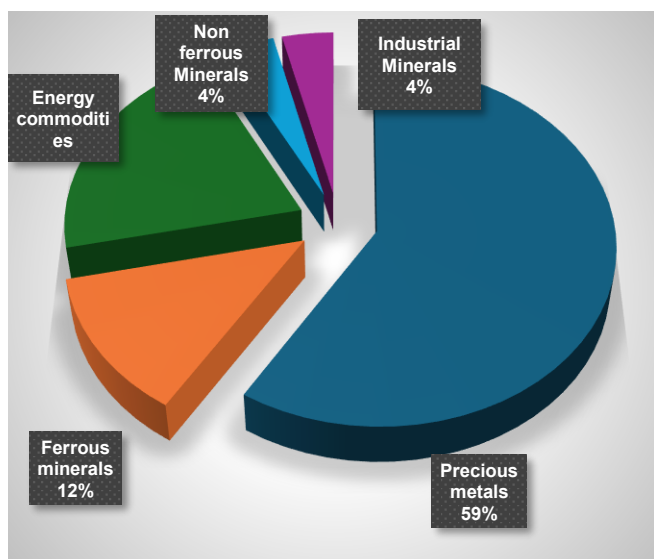
2.3. Employment

FIGURE 4: PERCENTAGE CHANGE IN EMPLOYMENT.



While mining remains a significant employer in the economy, its share of total formal employment is under 3%. Total mining direct employment stood at 474 736 in 2024 recording a 1.2% drop compared with 480 427 employees recorded in 2023. The drop in employment was notable from the diamond, PGMs and gold sectors, which recorded declines of 7.2%, 5.2% and 2.4%, in that order.

FIGURE 5: EMPLOYMENT CONTR. BY SECTOR.



The precious minerals sector contributed 59 % to total mining employment in 2024, followed by the energy and ferrous sectors at 21% and 12%, respectively, (Figure 5). Non-ferrous and industrial minerals sectors contributed 4.0% each. In terms of the top 5 revenue contributors by commodity, Coal,PGMs, gold, and iron ore sectors remains the largest contributors at 27%, 20%, 17% and 11%, in that order. In terms of the top 5 employers contributors by commodity, PGMs, gold, coal,chrome and iron ore sectors were the largest contributors at 37%, 21%, 19%, 5.4% and 4.5%, in that order.

3. Outlook

South Africa's mining industry continues to face challenges into 2025, and it is under increasing pressure to adapt to a changing global landscape and move quickly to adopt key advanced technologies related to automation, digitalisation and artificial intelligence. The sector is poised for significant shifts, driven by the energy transition and technological advancements. The demand for critical minerals both locally and globally is expected to surge, creating opportunities for growth, but also necessitating a sustainable plan to ensure growth in the sector.

It is expected that the relatively subservient ZAR/US\$ exchange rate will have a limited impact as it will be offset by improved prices, largely from the gold sector. The tariffs touted by the US on South African exports into that country may spell disaster for the mining industry. South Africa's mineral exports to the US were valued at an estimated R46.34 billion for the year 2024, comprising % of the total sales revenue of RSA and of total export revenue. However, efforts to have them reduced as well as a drive for additional markets for the exports stand a change to reduce the impact, in the long run.