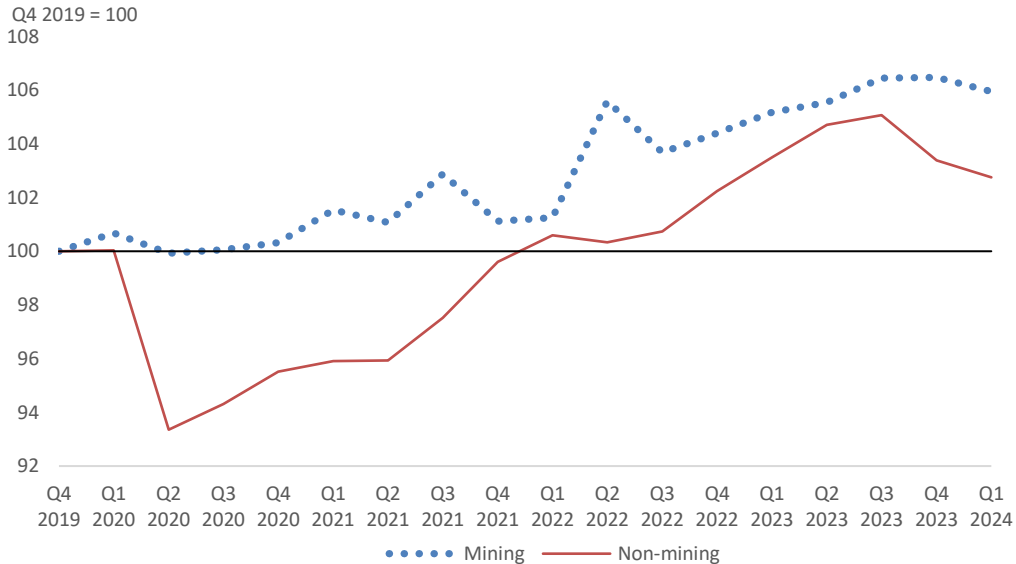


Mining sector lost jobs in Q1 2024

Following five uninterrupted quarters of job gains, employment in the mining sector declined during the first quarter of 2024. Stats SA’s Quarterly Employment Statistics showed that formal sector mining sector employment was lower by 2356 in Q1 relative to the fourth quarter of 2023. Despite this, there were still 3500 more people employed in mining during the first three months of 2024 compared to the same period in 2023. Put differently, mining sector employment increased by 0.7% year-on-year (y-o-y) in Q1 2024.

While employment was up y-o-y, the quarterly decline is indicative of the operational and profitability pressures currently experienced in important subsectors of mining. These include the platinum group metals (PGMs) sector, which is grappling with depressed prices¹, and the bulk commodity (mainly coal and iron ore) industries which continue to be undermined by Transnet rail and port inefficiencies. Despite the much-needed relief provided by the absence of load-curtailment since April 2024, these sectors are likely to remain under pressure for the foreseeable future. This implies a risk of additional mining sector job losses in the next several quarters.

Figure 1: Pandemic-era employment in mining compares favourably with non-mining sectors



Source: Stats SA, Minerals Council

From a somewhat longer-term perspective, Figure 1 illustrates that despite the drop in jobs relative to Q4 2023, the level of employment in the mining sector continues to hold up well. To be sure, when referenced against the pre-COVID period of Q4 2019, mining sector employment was 6%, or about

¹ In rand terms, the PGM basket price (platinum, palladium and rhodium) has been trading at the lowest level since early-2020 for some time.

27000, higher in Q1. Employment in the non-agricultural sectors (other than mining) was 2.8% above the pre-COVID level in the first quarter of 2024.

Stats SA also provided an update on the **gross earnings** in major sectors. This indicates that gross earnings paid to mining sector employees amounted to R48.1 billion in Q1 2024, a rise of 4.4% y-o-y.

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