

THE REAL ECONOMY BULLETIN

TRENDS, DEVELOPMENTS AND DATA

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Briefing Note 1: Employment Vulnerabilities in South Africa's PGM Sector - Considerations for a Just Transition

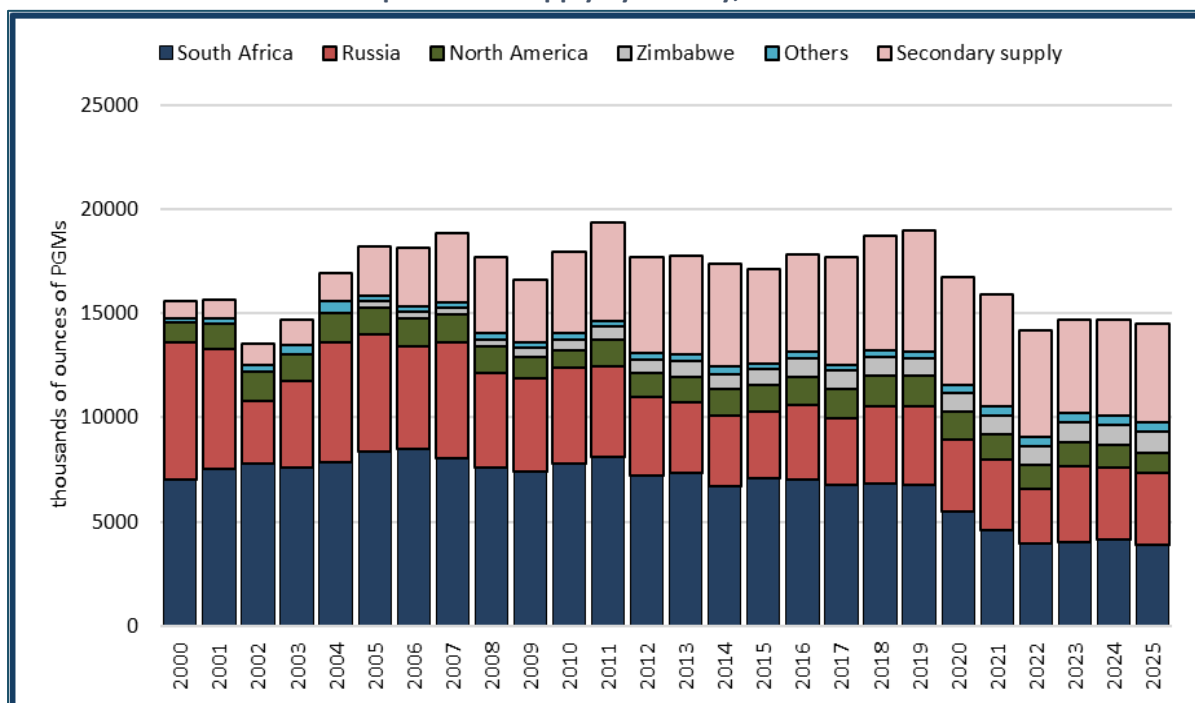
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This briefing note draws on a forthcoming TIPS publication on the state of the platinum group mining industry and the implications for employment.

South Africa's platinum group metals (PGM) account for over a quarter of South Africa's total mining sector gross value add. Over the past two decades, they have overtaken the maturing gold industry in South Africa as a critical source of exports and employment. The industry is, however, currently confronting simultaneous challenges on both the supply and demand side. That has brought uncertainty to its long-term trajectory and by extension to the workers and communities that depend on it.

South Africa holds the largest PGM reserves in the world, estimated at 88% of the global total. It is also the dominant PGM producer globally, alongside Russia and Zimbabwe. However, output has declined since 2019. As a result, South Africa's share in global supply fell from 72% in 2019 to 70% in 2025. (Graph 1)

Graph 1. PGM supply by country, 2000-2025



Data source: Johnson Matthey PLC and PGM Market Report May 2025 (a) This data is based on the latest available data reported up to May 2025.

On the demand side, the transition to electric vehicles poses a long-term challenge. The main industrial use of PGM over the past two decades has been for catalytic converters, which reduce emissions from combustion engine cars but are not needed for full battery vehicles. In the mid-2020s,

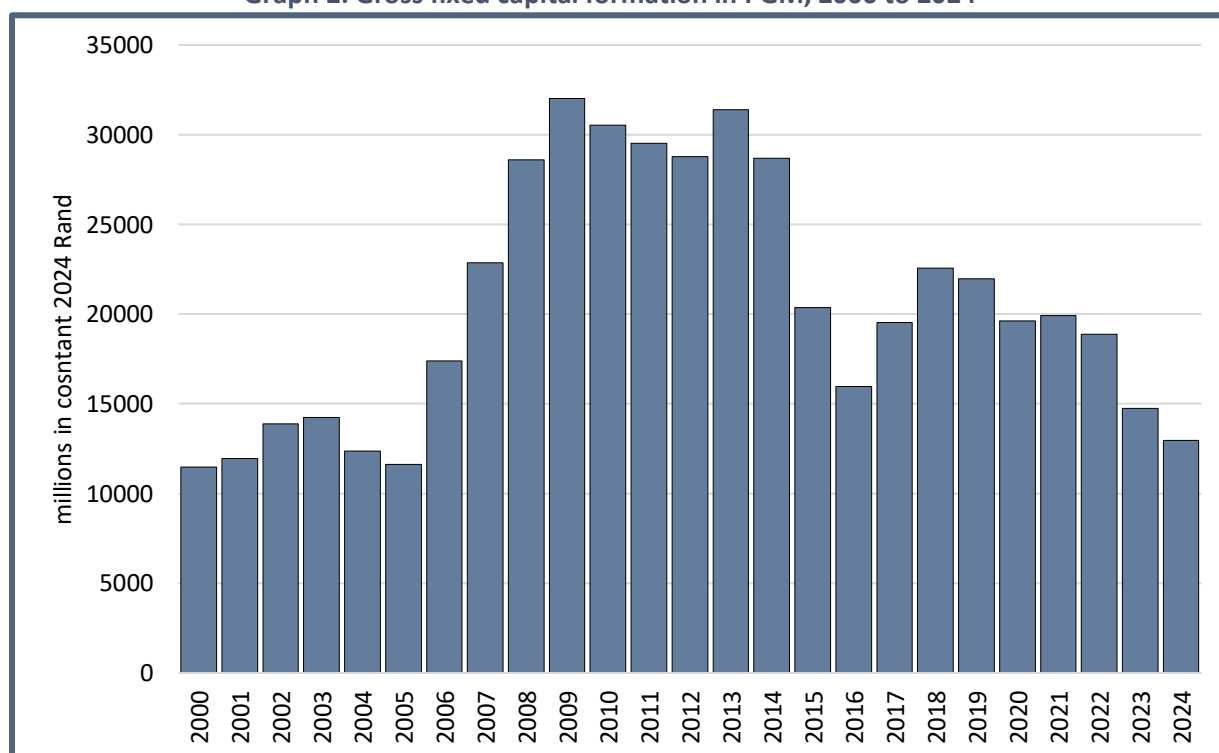
catalytic converters accounted for around a third of platinum consumption, more or less equal to jewellery. The share used in auto had dropped from closer to half a decade earlier.

The impact on PGM will depend on the scale and of the transition to battery electric cars. In the interim, it may be offset by higher emissions standards for petrol vehicles and increased sales of hybrid petrol and plug-in hybrid cars, which require catalytic converters. In addition, it is possible that new technologies such as fuel cells will require PGM; however, this market is still nascent and its trajectory, especially for fuel cell cars, is likely to remain limited to niche mobility applications. Still, the structural shift away from catalytic converters will place substantial downward pressure on demand over the coming 20 to 30 years.

On the supply side, production has also faced significant challenges. Output, mainly from mines owned by Valterra Platinum (formerly Anglo-American Platinum), Impala Platinum, Sibanye Stillwater (formerly Lonmin) and Northam Platinum, has declined. New platinum mining projects have not attracted substantial investment. (Zadeh, 2025). Total investment in PGM mining has fallen by half since 2024. (Graph 2) The downturn reflect both the maturing of the PGM resources and broader structural pressures facing the overall mining sector, including rising electricity, logistics and infrastructure costs.

PGM is the largest employer in South Africa's mining sector, despite recent downturns. In 2023, it accounted for more than 40% of the sector's total workforce, with 180 000 workers. Still, it recorded 8 500 job losses in 2024, losing 4.7% of the total. (Graph 2) The difficult conditions have prompted widespread restructuring, cost-cutting and labour force rationalisation across the industry (Minerals Council, 2025).

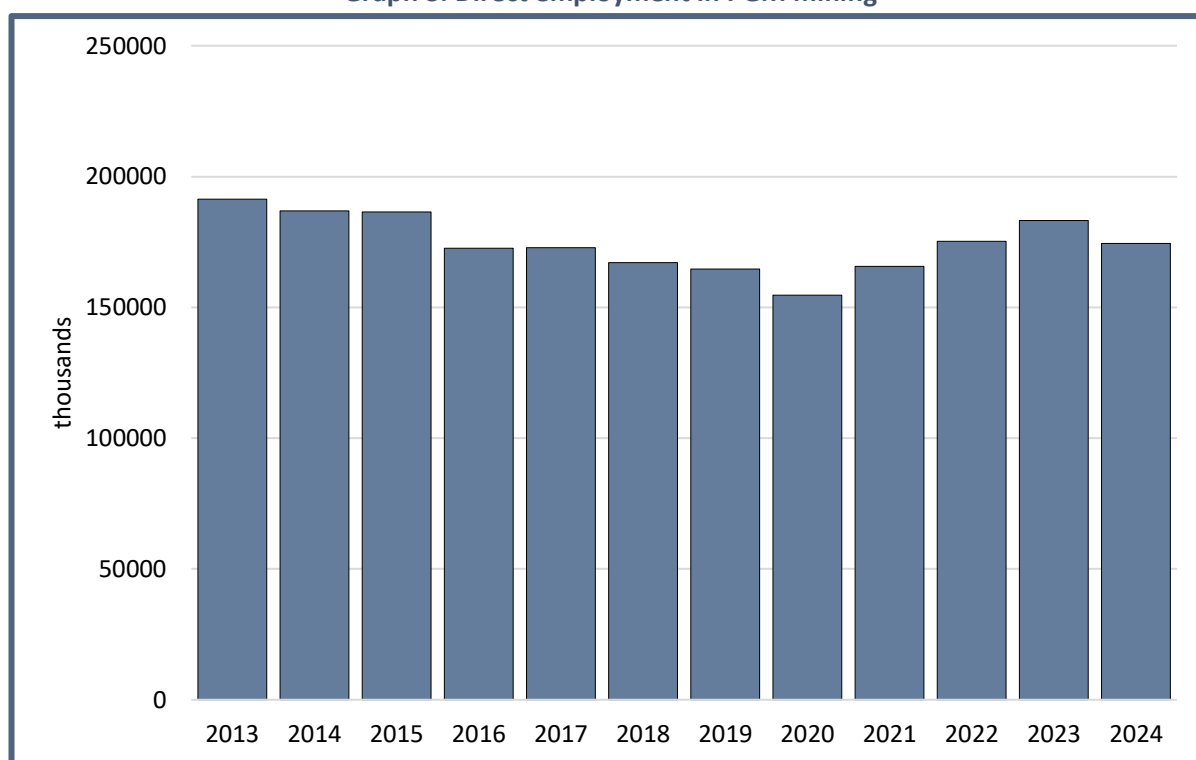
Graph 2. Gross fixed capital formation in PGM, 2000 to 2024



Source: Calculated from Quantec EasyData. Interactive dataset.

Accessed at www.quantec.co.za in January 2026

Graph 3. Direct employment in PGM mining



Data source: Calculated with data from Department of Mineral Resources

The extent to which retrenched workers are being adequately supported is unclear. Workers have few options because labour-sending regions continue to be marginalised and mining town municipalities often lack the capacity to respond.

Among PGM workers, vulnerability is unevenly distributed. Contract workers represent a considerable share of the workforce. They typically often have weaker job security and limited access to benefits and retrenchment packages. On average, they only earn around 60% of permanent worker's remuneration (Makgetla and Levin, 2016). Since contractors rather than mining companies typically bear responsibility for this type of workers, transition planning and support mechanisms frequently exclude them, increasing their exposure to job losses (Mhaka and Mahlangu, 2025).

Social and Labour Plans (SLPS) represent one of the key instruments through which a just transition for PGM workers could be secured. They provide a framework for ensuring that workers, their households and related communities receive adequate support during periods of retrenchments and restructuring. However, research suggests that implementation and enforcement remain inconsistent. Worker consultation is often limited, commitments are poorly monitored, and municipalities are insufficiently integrated into planning processes. Strengthening regulatory oversight, establishing clearer standards for retraining and severance, and extending accountability to contractors would improve the effectiveness of SLPs in supporting a just transition.