

Mining sector sees growth in second quarter

The mining sector grew by 4.9% and contributed 0.4 of a percentage point to gross domestic product (GDP) growth, led by growth in platinum group metals (PGMs), copper and nickel, amongst others, the Department of Mineral Resources said.



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“The mining and quarrying sector contributed positively to GDP in the second quarter, data released by Statistics SA has confirmed. This bodes well for the sector and indicates a commodity boom may be imminent,” the department said.

Growth in the sector is a good indicator against the background of the recently-announced retrenchments and a decline in gold prices as well as demand for platinum.

The department said as one of the leading mineral exporting countries, South Africa has been negatively affected by global economic factors and as a result, the mining industry experienced a decline in performance over recent years.

“Prioritising the exploration of new mineral deposits, and continuing to work together with the industry, we can turn our comparative advantage into competitive advantage, and ensure the sector’s positive contribution to growth of the economy is sustained,” said Mineral Resources Minister Gwede Mantashe.

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