

Mining output plunges 4.2% in November

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Mining output plunged 4.2% in November from a year earlier, Statistics SA said on Tuesday, 17 January.



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October's figure was revised to a 2.6% decrease from a decline of 2.9% reported previously.

The results were worse than expected; Bloomberg had forecast an annual drop of 0.9% while Trading Economics had expected growth of 0.4%.

The total value of mining products sold in October came to R37bn, down from September's R39bn. Stats SA's value figures lag its volume figures by a month.

The main contributors to the drop in production were platinum group metals (PGMs), which declined by 10.8%, followed by gold (9.4%) and iron ore (8.7%).

Analysts said the decline could be due to the stockpiles of iron ore and platinum.

Manganese ore output was up 26.9%, boosting November figures.

Seasonally adjusted mining production decreased by 1.5% in the three months ended November 2016 compared with the previous three months.

On the upside, sales figures for October increased by 12.4% year on year, with the sale of coal, iron ore and chromium ore being the largest contributors. The increase was less than the 17% surge experienced in September.

Seasonally adjusted mineral sales at current prices were up 1.5% in October 2016 compared with September 2016 due to an increase in commodity prices that started in August.

Source: BDpro

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