

Sibanye-Stillwater faces PGM headwinds, cuts jobs at ageing mine

By  Lindsey Schutters

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Sibanye-Stillwater has decided to permanently close its 4 Belt (4B) shaft at the Marikana operation after failing to restore profitability at the ageing mine., the latest sign of distress in the global platinum group metals (PGM) industry. The closure will result in 65 job losses.



Sibanye-Stillwater's Marikana complex has faced the brunt of the PGM crisis

While Sibanye-Stillwater emphasised that many employees impacted by the 4B closure were transferred or took voluntary severance packages, these fresh retrenchments show the depths of the declining fortunes of South Africa's PGM industry.

The country holds the majority of the world's platinum reserves, but producers are grappling with rising costs, lower ore grades, and labour unrest.



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Further setbacks

The Marikana closure follows a recent suspension of production at the company's Siphumelele shaft after infrastructure damage caused by an ore bin incident.

Siphumelele was forecast to produce an average of approximately 4,500 4Eoz/month or 54,000 4Eoz planned for 2024 – which accounts for approximately 3.5% of annual production from the SA PGM operations (excluding third-party processing and Mimosa).

While repairs are on schedule, the temporary shutdown highlights the operational risks facing Sibanye-Stillwater and its peers.

'Cannot absorb ongoing losses'

"The decision to close a shaft is never taken lightly," said Neal Froneman, Sibanye-Stillwater CEO. "We cannot however continue to absorb ongoing losses."

"As for Siphumelele, we are encouraged by the progress of the repair work at the shaft post the ore collector bin incident."

Sibanye-Stillwater shares have declined amid a broader downturn in the PGM sector. Investors are concerned about the long-term sustainability of the industry as demand for platinum and other PGMs faces pressure from factors like stricter emissions standards and the rise of electric vehicles.

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