

# Northam CEO Paul Dunne: 'Worst crisis I've seen in 30 years'

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1 Mar 2024

Northam Platinum's CEO said that platinum mining companies in South Africa, the world's top supplier of the metal, are facing "severe" market conditions and are caught up in the worst crisis in three decades as prices plummet.



Mine workers are seen at the Northam Platinum's Zondereinde mine. Source: Reuters/Siphwe Sibeko

"I personally believe it's the worst crisis I have seen in three decades, on a relative basis," said Paul Dunne, the CEO of Northam, South Africa's fourth-largest producer of platinum-group metals.

"The squeeze on the industry is severe," he told journalists.

South Africa's biggest producers of the precious metals are halting spending worth billions of rand on output expansion projects and cutting jobs as they battle to keep a lid on costs as profits plunge due to lower metal prices.



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Anglo American Platinum said it plans to cut 3,700 jobs, while rival Sibanye-Stillwater has also laid off about 2,600 workers. Impala Platinum on Thursday said it may decide within six months to close loss-making shafts, if prices do not improve.

## No job cuts, yet

Northam isn't cutting jobs at the moment, but the company is also holding back spending on projects, the CEO said.

Prices of platinum - mostly used by automakers to curb toxic emissions - have fallen. Producers cite weaker economic growth in China and destocking by manufacturers who built up stocks during Russia's invasion of Ukraine.

Platinum fell 0.4% to \$872.75 an ounce on Friday while sister metal palladium edged up 0.3% to \$944.68 an ounce.

"The current market conditions are severe and our primary view is we maybe in for a difficult time," Dunne said. "We can't see a sign in the market for a quick rebound yet."

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