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SYMPOSIUM SERIES S63

Fourth International Platinum Conference
Platinum in transition
'Boom or Bust'

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Sun City, South Africa

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FOREWORD

The theme for the Fourth International Platinum Conference presented by the Southern African Institute for Mining and Metallurgy is Platinum in Transition 'Boom or Bust'.

This has been the experience of the industry since the Third International Conference held in October 2008. The high PGM prices of earlier that year collapsed in the second half of the year and then began slowly creeping back from \$934 per oz at the beginning of 2009 to \$1 466 at year end.

The boom times stopped in their tracks and bust times arrived as a result of the world economic crash. Car sales fell, and with them the demand for catalytic converters, and industrial demand softened. However, jewellery sales rose, buoyed by the lower prices, and investment demand recovered and climbed.

Whereas production of platinum declined marginally in 2009, the market was still surplus to the extent of some 285 00 oz. Supply increases from the three new South African producers were offset as other producers reorganised themselves to contain costs and overcome production problems. Supplies from Russia and other producing countries remained flat over this period. The market is expected to be in balance for 2010.

Looking to the future, the uncertain recovery of world economies weighs heavily on the industry. In South Africa, concerns about the strength of the local currency, electricity and water supplies, wage demands from labour without associated productivity gains, and new legislation governing ownership are added worries.

However, corporate activity continues to thrive in these times. Chinese and Kazakhstan companies are investing in South African platinum mines; Royal Bafokeng Platinum has announced its intention to list on the JSE; and Shanduka, Platmin, Eastern Platinum, Sylvania Resources Bauba Platinum, and Lesego Platinum, amongst others, continue to look for opportunities.

This is indeed an industry transitioning and living between boom and bust.

It is my pleasure to welcome delegates from abroad and South Africa to the Fourth International Platinum Conference to be held at Sun City in the heart of the world's biggest platinum producing region.

I trust that you find the proceedings interesting and stimulating. I encourage you to participate in the proceedings, debate the issues, and enjoy networking with colleagues in the platinum industry.

Finally, a big word of thanks to the Organising Committee, the staff of the SAIMM, and our willing and generous sponsors without whom this conference would not have been possible.

Mike Rogers
Chairman
Organising Committee

Fourth International Platinum Conference

Platinum in transition

'Boom or Bust'

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