

Sibanye-Stillwater CEO says now is the time to invest in PGM

By [Lindsey Schutters](#)

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“I think we’ve become overly negative about the decrease in the basket price. Once you understand that the decrease is being caused predominantly by destocking, and the stocking took place when Russia invaded Ukraine and the market thought that there would be supply shortages,” Sibanye-Stillwater CEO Neal Froneman tells *Bizcommunity* at a Webber Wentzel event on the sidelines of Mining Indaba. Froneman has lead the company to become the biggest platinum group metals (PGM) producer in the world and is at the frontlines of the current market decline.



Neal Froneman spoke to Bizcommunity at the Webber Wentzel 'Reimagining Mining' panel discussion.

Russia is a key player in the PGM market, accounting for 38% of the world's palladium supply, and Froneman rightly points out that the ongoing conflict has raised alarm bells about disruptions in the global supply of these critical resources.

“We're now suffering the consequences of that market reaction. And when you couple that with the high interest rate environments in Europe, the UK and the US where people don't have money to spend on luxury goods you get the current market situation.”



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Froneman forecasts an improvement in the interest rate outlook in the key consumer economies and a return to luxury goods purchasing, which includes cars in his estimation – citing the automotive sector as the biggest PGM customer for its use in catalytic converters.

The catalytic converter comment, however, stands at odds with Froneman's previous statements during the panel discussion at the Webber Wentzel offices. The CEO made admissions about Sibanye's investments in catalytic converter recycling in the US producing more ounces of PGM than primary mining.

Those precious metals recovered during recycling also come with significant discounts in carbon emissions, water use and with 90x less waste than recovering it from underground.

EV hype

"There's been a lot of hype around batteries. And remember, we're on both sides of the equation, but we've always maintained that the perceived penetration rates of battery electric vehicles (BEV) are overstated," he continues.

"There's some realism now coming out of people like Toyota and BMW – we've seen last week BMW said they will not be making BEVs and going the hydrogen route. Of course, that means fuel cells which use platinum and iridium and in the generation."

While BMW CEO Oliver Zipse is a strong supporter of hydrogen for its rapid refuelling function in the EV value chain, the company has made a commitment that its Munich plant will [produce only electric cars from 2027](#), following a €650 million investment to expand and upgrade the 102-year-old site.



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We also reported that the fuel cell development is pivoting away from PGM catalysts towards other minerals like iron that will dramatically reduce the cost and accelerate hydrogen deployment.

"What I'm giving you is if you look forward that shows that destocking – while it's hard to say exactly when it's complete – but you see an improving trend. So my advice is that if you haven't got exposure to the PGM sector, you should get some."

ABOUT LINDSEY SCHUTTERS

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