BIZCOMMUNITY

Sibanye-Stillwater to cut 4,000 jobs in underperforming gold business

By Nelson Banya

12 Apr 2024

Sibanye-Stillwater's planned restructuring of its South African gold operations could cut 4,022 jobs, the South African company said on Thursday, with unions vowing to fight the layoffs. In a statement, the company, which suffered an annual loss of $2bn in 2023 from a slump in metal prices, said the restructuring was meant to stem losses at its Beatrix 1 shaft, which has not delivered planned production.

A logo of Sibanye-Stillwater is seen at a mine in Marikana. Source: Reuters/Siphiwe Sibeko

There will also be job losses at its Kloof 2 plant, which has had insufficient processing material after the Kloof 4 shaft was closed in 2023, it added.

"The proposed restructuring of the operations and services could potentially affect 3,107 employees and 915 contractors," Sibanye said.

The miner, South Africa's biggest mining sector employer, is also cutting some administrative jobs as it adjusts to the reduced mining headcount group-wide.

Anglo American readies cost cuts in wake of PGM market downturn

Felix Njini and Clara Denina 7 Dec 2023

The company would "continue to act prudently to protect the balance sheet and ensure the sustainability of the group", CEO Neal Froneman added in the statement.

Sibanye's plans to lay off workers are subject to consultations with trade unions, in terms of South Africa's labour laws.

'Capitalist barbarism'

The National Union of Mineworkers (NUM) described Sibanye's proposed job cuts as "shocking capitalist barbarism" and called on Sibanye's top management to resign.

"It is very shocking in the sense that the gold price is high," NUM, South Africa's biggest mineworker union, said in a statement. "We are also questioning the timing of this announcement, especially as we are about to enter into wage negotiations with the company."

Another union, Solidarity, said it would oppose the planned job cuts.

"Solidarity will do everything in its power to protect its members' jobs," it said in a separate statement.

Metal price pressure

Sibanye has already cut about 2,000 jobs at its platinum group metal (PGM) operations following the restructure of loss-making shafts after metal prices fell sharply last year.

Last year, it reported impairments of $2.6bn at its US palladium mines, a nickel operation in France and a gold mine in South Africa, traced in part to the fall in metal prices and an uncertain outlook.