



Sector Jobs Resilience Plan: Metals Value Chain

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Learning Event

Outline

- Employment in the value chain and vulnerable groups
- Strategic framework
- Proposals
 - Key benefits, costs and risks.

Employment and vulnerable groups

- In 2024, the metals value chain employed 570 000 people.
 - Approximately two thirds in mining, which is dominated by PGMs, and a third is in manufacturing.
- Vulnerability assessment finds:
 - Workers in smelting as vulnerable to climate policies (SETs; Carbon budgets; carbon tax; EU CBAM) in the short-term.
 - Operations are energy and emissions intensive.
 - Have lower income, skills, and social capital compared to mining.
 - Communities hosting PGM mining operations as vulnerable in the long-run.
 - Decline in catalytic converters (largest source of demand for PGMs) as EVs replace ICE vehicles.
 - Host communities, outside of Gauteng, rely on mining operations for economic activity.
 - Mine workers not identified as vulnerable due to adequate protections and because there may be retirements as the industry declines over time.

Strategic framework

- Proposals are geared towards smelting as risks are more apparent, impacts are to be felt sooner, and workers are more vulnerable than in mining.
- **Proposals are organised under four pillars:**
 - Developing an appropriate governance structure to drive the metals SJRP
 - Mitigating climate policy impacts
 - Strengthening active labour market policies
 - Enhancing social protection and income support

Pillar 1: Governance structure for the metals SJRP

Proposal

- Establish a government-mandated coordination structure to drive cross-departmental coordination and implementation of the metals SJRP.
- The structure should:
 - Review evidence on downsizing and job loss in smelting, evaluate proposals from social partners, take decisions, assign responsibilities, coordinate implementation, convene meetings, track progress, refine measures, and report implementation to Cabinet.
 - Dispute resolution pathway; platform for inputs from organised business and organised labour; Community of Practice to share evidence for policy refinement.
- This structure will not replace existing platforms, like the Steel Masterplan.
 - It will complement the Masterplan by focusing on transition risk management and retrenchment issues.
- Structure should include: dtic; DEE; DEL; National Treasury
 - dtic should lead and host metals SJRP Secretariat; develop and coordinate industrial decarbonisation measures with DEE; and monitor industrial downsizing.
 - DEL should monitor retrenchments and develop and coordinate labour market and social protection measures.
 - National Treasury should ensure fiscal alignment of proposed interventions.

Pillar 1: Governance structure for the metals SJRP

- Decisions taken by the structure will trigger the participation of additional entities.
 - Participation should be binding and aligned with mandates of participants.
 - All participating entities should reflect implementation responsibilities in their performance plans and internal planning processes.
 - Additional participants should include: Eskom; IDC; DHET and merSETA; UIF; DSD and SASSA; DPWI and EPWP.
- Recent developments in ferrochrome and AMSA Newcastle highlight the need for early coordination to address obstacles facing smelting operations.

Benefits: Single point of engagement on downsizing and retrenchment issues.

Costs: Time and effort required for engagements and implementation.

Risks: Opposition to proposals.

Pillar 2: Mitigating climate policy impacts

Proposal

- dtic should develop a detailed mitigation plan for smelting operations
 - Accelerating access to renewable electricity grid supply (with DEE and Eskom) and off-grid self-generation by firms (using renewable energy).
 - Supporting uptake of energy-efficient technologies and low-carbon production processes with firms.
 - Where costs are a barrier, working with the IDC on financing for technology upgrades.

Benefits: Smelting operations and workers face lower exposure to climate policies; less climate change.

Costs: High investment requirements for technological upgrading.

Risks: Clean energy does not ensure round the clock supply.

Pillar 3: Active labour market policies

Proposal

- SJRP structure should strengthen active labour market policies for affected smelting workers.
- Coordinated by the DEL and UIF (through: Public Employment Service, and Labour Activation Programme), and merSETA.
- Conduct a skills audit of affected workers.
- Enable access to:
 - Demand-linked upskilling and reskilling.
 - Career counselling, job search, and placement.
 - Facilitate access to entrepreneurship support.
- The dtic should ensure that programmes are aligned with industrial policy priorities/strategies.

Benefits: Ability to maintain productive livelihoods.

Costs: Time and effort for workers to go through the process; may require additional fiscal support.

Risks: Incomes and job security may be reduced in new employment.

Pillar 4: Social protection

Proposal

- SJRP structure to coordinate strengthened social protection for smelting workers.
- Requires:
 - Engagement with employers on enhanced severance packages and early retirement options.
 - DEL/UIF to facilitate faster and more reliable UIF and TERS processing.
 - DSD and SASSA to facilitate access to and potentially increase the SRD grant where UIF/TERS not available.
 - DPWI and EPWP to provide opportunities for those in need.

Benefits: Workers' incomes are partly maintained.

Costs: Incomes may be lower than in previous employment; may require additional fiscal support.

Risks: Income support may not be sufficient in the long-run.



Thank you