

Johnson Matthey publishes 2025 PGM Market Report

- Demand for platinum forecast to outweigh supply for the third consecutive year
- Palladium market expected to be in balance following 13 years of structural deficit
- Demand outlook highly uncertain, as impact of tariffs could see PGM use in auto and industrial applications fall short of forecasts

The platinum market will remain in deficit in 2025, but palladium will move back into balance, according to Johnson Matthey's latest PGM Market Report, issued in advance of the annual London Platinum & Palladium Market week.

The **platinum** market is forecast to record a significant supply shortfall for a third consecutive year. Primary supply is predicted to decline by 3%, with South African PGM output constrained by operational restructuring, severe weather, and process plant maintenance. Secondary supply will remain depressed in all regions except China, where the government has renewed a trade-in incentive scheme which is encouraging consumers to scrap older vehicles.

Industrial platinum consumption should see modest growth in 2025, in line with capacity expansions in the chemicals, fibreglass, biofuels and synthetic fuels sectors. Automotive platinum use is forecast to contract by 5%, from a sixteen-year high in 2024, as battery electric powertrains take market share in both the car and truck markets.

Palladium was in persistent deficit between 2012 and 2024 but is predicted to move into balance this year. Operational restructuring will impact primary supply from South Africa and the USA, but robust growth in Chinese automotive recycling will boost secondary supply, despite weak scrap volumes in other regions. Lower production of gasoline vehicles is predicted to cut automotive palladium demand by 5%. The weak outlook for the auto market has also impacted investor sentiment and is curtailing investment demand.

The **rhodium** market will remain in deficit, with a decline in South African supply balanced by a fall in automotive consumption. Industrial demand is forecast to rebound this year, as purchasing by the glass industry normalises in the wake of rhodium inventory liquidation during 2020-2024.

Johnson Matthey expects **ruthenium** demand to rise by 2% in 2025, with strong demand for hard disks for data centre expansions, and robust consumption by Chinese chemicals companies. In China, ruthenium catalysts are widely used for the production

of caprolactam, a feedstock for Nylon 6 resins used in engineering plastics. Unless there is a further drawdown of producer inventory, ruthenium is forecast to record a deep deficit this year.

A small increase in primary iridium supply is expected to help balance the **iridium** market. Demand is predicted to be stable, as lower consumption in chemical applications is balanced by increased use in crucibles, required for growing single crystals for specialised applications in the electronics and medical sectors.

Rupen Raithatha, Market Research Director at Johnson Matthey, commented:

"It's a real challenge to predict PGM demand in 2025, in view of uncertainty over US import tariffs and potential retaliatory actions by trade partners. The most obvious impact will be in the auto sector. We're already expecting PGM use on vehicles to fall by 5% this year, but there's a further downside risk if tariffs result in cuts to vehicle production. Lower car sales could also reduce the number of older vehicles being scrapped, cutting secondary supply."

Johnson Matthey's report highlights the potential for additional PGM demand due to higher defence spending. Platinum group metals are contained in components used in aircraft and other defence hardware and are also used in defence-related manufacturing processes.

Margery Ryan, Advocacy and Market Development Manager at Johnson Matthey, commented:

"Moves to boost defence spending could impact PGM demand. Because of their unique properties, the platinum group metals are used in military and aerospace technologies. Iridium for example has several defence applications, ranging from coating fuel nozzles and missile nose cones, to crucibles and chemicals used to manufacture lasers and optical systems, and ignitors for jet engines. This underscores the importance of PGMs to a range of different sectors and the wider economy."

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Note to editors:

Johnson Matthey Plc's PGM Market Report can be viewed and downloaded from the website (<https://matthey.com/en/products-and-markets/pgms-and-circularity/pgm-markets/pgm-market-reports>) and provides an overview of demand for platinum group metals in 2024 and an outlook for 2025. You can follow us on X (formerly Twitter) at @PMMJM.

Johnson Matthey's Market Research Department has undertaken fundamental research into the Platinum Group Metals markets since the 1980s. Since 1985, Johnson Matthey has published supply and demand data, in the Platinum and Interim Platinum series of reviews (1985–2013) and in the PGM Market Report (2014–2025).



The full dataset from these reports can be downloaded from <https://matthey.com/en/products-and-markets/pgms-and-circularity/pgm-market-data>

About Johnson Matthey

Johnson Matthey is a global leader in sustainable technologies. For over 200 years we've used advanced metals chemistry to tackle the world's biggest challenges.

Many of the world's leading energy, chemicals and automotive companies depend on our technology and expertise to decarbonise, reduce harmful emissions, and improve their sustainability.

And now, as the world faces the challenges of climate change, energy supply and resource scarcity, we're actively providing solutions for our customers. Through inspiring science and continued innovation, we're catalysing the net zero transition for millions of people every day.

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