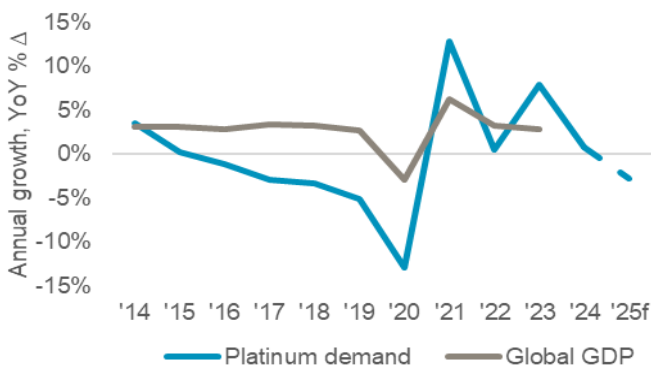


## Structural platinum market deficits will persist despite US tariffs and associated GDP risks

The United States’s imposition of wide ranging and onerous tariffs on trading partners risks pushing the global economy into a recession or, at the very least, slowing GDP growth. Assessing the downside risks for platinum demand, we have used the supply chain disruptions of 2021/22 as a point of reference where platinum demand was its lowest in our time series. Positively, our conclusion is that structural demand changes, such as platinum for palladium substitution in catalytic converters, mitigate downside scenario risks and limit platinum demand reduction to ~400 koz. This is insufficient to eliminate the embedded deficit of 848 koz forecast for 2025.

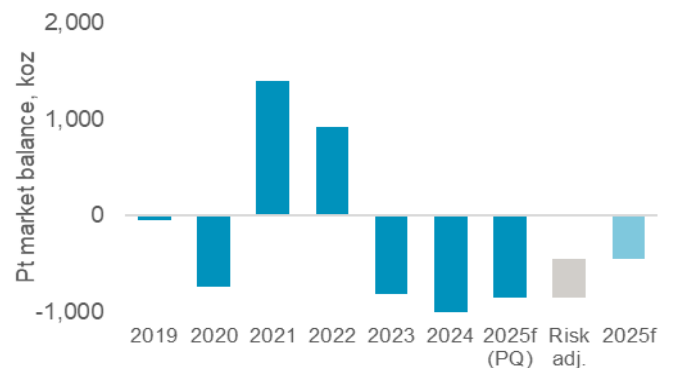
The US’s announcement of a 10% baseline tariff on imports and the now deferred country specific tariffs has been accompanied by downgrades to global growth forecasts. Fitch Global GDP growth is now forecast at 2.3% in 2025 compared to 2.6% in December 2024. Moreover, over the course of the past week, J.P.Morgan rapidly and progressively increased its estimate of global recession risk from 15% to 60%. Around 90% of annual platinum demand is tied to automotive, jewellery and other industrial sectors. Between 2013 to 2023, platinum demand growth within these markets has shown a high correlation with global GDP growth at 0.8 (Fig. 1).

**Fig 1. Platinum demand growth is correlated to GDP**



Source: Bloomberg, Metals Focus, \*Automotive, Jewellery, Industrial growth

**Fig 2. Platinum should remain in deficit despite risks**



Source: Metals Focus (2019-2025f), WPIC Research

Our March 2025 *Platinum Quarterly* ([link](#)), forecast that annual platinum demand will decrease by -2.8% YoY this year. Although platinum end-uses are diverse, the broader than expected scope of tariff announcements warrants further evaluation of downside risks to demand. In our time series from 2013, platinum demand troughed in 2021 and 2022 at below 7.0 Moz largely due to COVID related global supply chain challenges. While this may present similarities to the trade disruption which steep US tariffs could cause, there are key differences between 2021/22 and now. Firstly, our analysis of a 25% tariff on US vehicle imports suggests lost sales of ~1.7 M units (Fig. 5) or **70 koz** of platinum ([link](#)) and not the 10-15 M units p.a. of vehicle losses in 2021/22. Moreover, platinum for palladium automotive substitution of ~800 koz is now entrenched in demand. Secondly, the downside risks to industrial demand in 2025f may be limited to only ~**100 koz** (Fig. 6) given a) a stable growth track record, b) that we are already forecasting demand at a five-year low in 2025, and c) capacity additions being largely committed to for 2025 (any industrial demand downturn is likely 2026 or beyond). Finally, jewellery demand troughed at 1.83 Moz (Fig. 7) at **200 koz** below our 2025f demand forecast of 2.03 Moz. It is notable that comparing the demand trough during COVID ignores that there was no retail footfall or weddings then, and that platinum jewellery is now priced at parity to white gold ([link](#)).

**Cumulatively the downside risks to platinum demand could reach ~400 koz (5% of total demand) versus our current forecasts. However, this is insufficient to eliminate the 2025 platinum market deficit of 848 koz.**

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10 April 2025

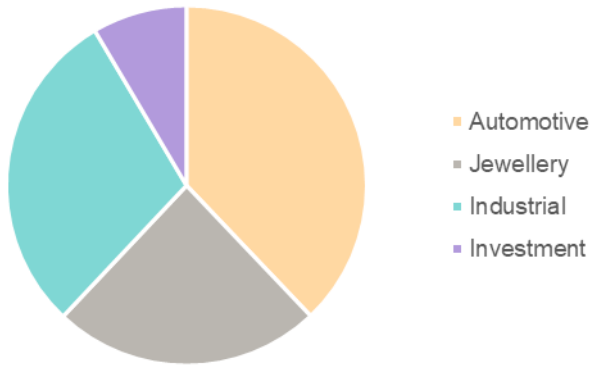
**Platinum demand growth is highly correlated to global GDP growth.**

**Downside risks to platinum demand stemming from US tariffs are unlikely to push market balances towards balance in 2025f.**

**Platinum's attraction as an investment asset arises from:**

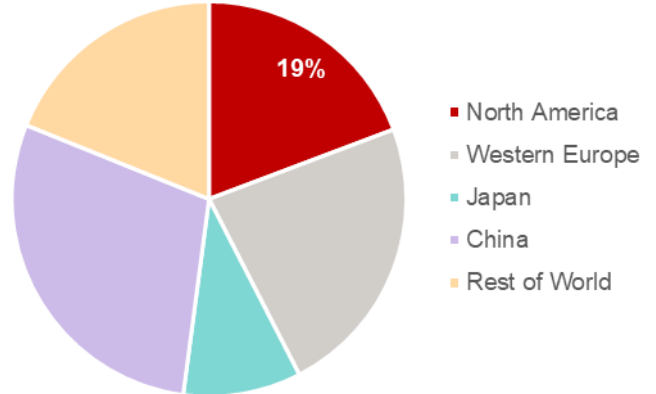
- WPIC research indicates that the platinum market entered a period of consecutive supply deficits from 2023 and these are expected to fully deplete above ground stocks by 2029f
- Platinum supply remains challenged, both in terms of primary mining and secondary recycling supply
- Trade tensions are distorting market flows and accelerating market tightening
- Platinum is a critical mineral in the global energy transition underpinning a key role in the hydrogen economy
- The platinum price remains historically undervalued and significantly below the price of gold

**Figure 3: Platinum's annual demand in 2024 (8.3 Moz) was diversified, amongst automotive, jewellery, industrial and investment end markets**



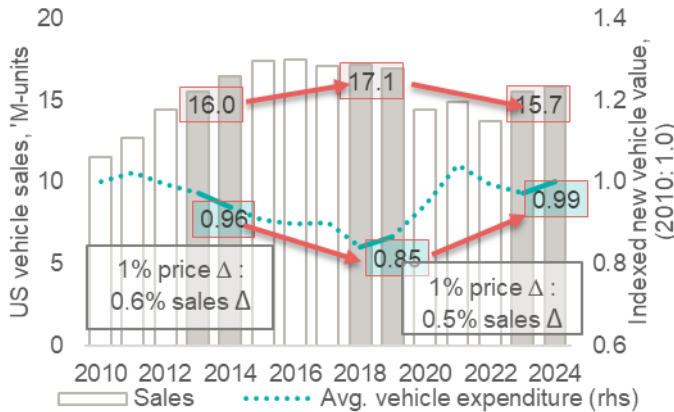
Source: SFA (Oxford) (2013-2018), Metals Focus (2019-2024), Bloomberg WPIC Research

**Figure 4: While North America only accounted for 19% of total platinum demand in 2024 (8.3 Moz), US tariffs are likely to be globally consequential**



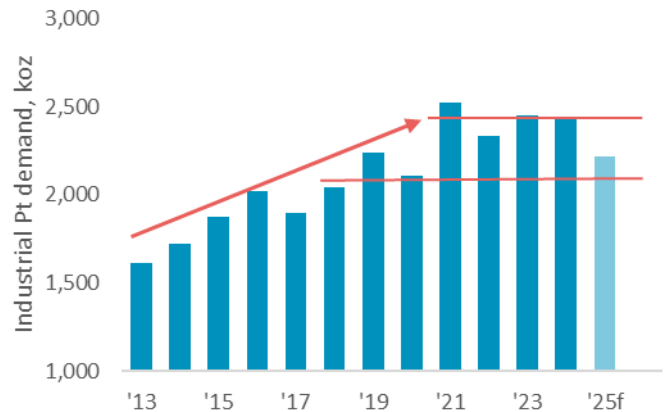
Source: Metals Focus, WPIC research

**Figure 5: US vehicles sales volumes are correlated to prices which suggests tariffs will impact demand**



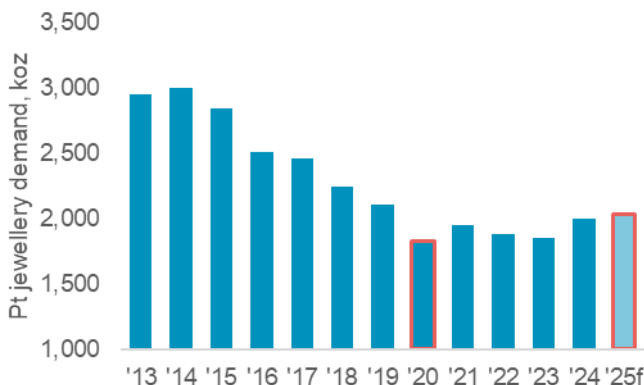
Source: Bloomberg, WPIC research

**Figure 6: Reasonable downsides to industrial Pt demand appears already factored into 2025 forecasts**



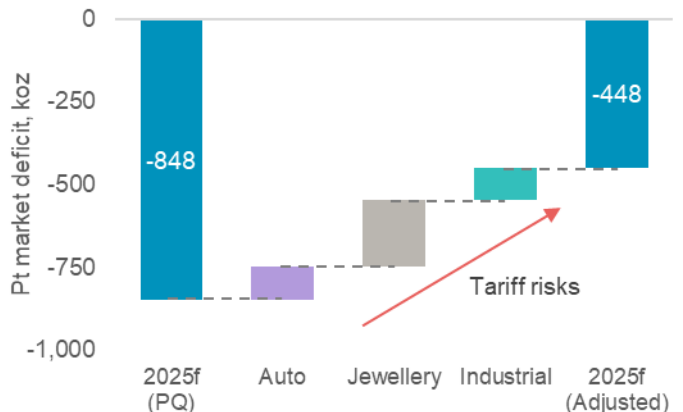
Source: SFA (Oxford) (2013-2018), Metals Focus (2019-2024), WPIC

**Figure 7: Pt jewellery demand troughed during COVID in 2020 which was 0.2 Moz less than our 2025f demand forecast**



Source: SFA (Oxford) (2013-2018), Metals Focus (2019-2024), WPIC

**Figure 8: Downside risks within key demand segments are unlikely to cause expected 2025f platinum market deficits to move close to balanced**



Source: Metals Focus (PQ), WPIC Research

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