

Foreign direct investment projects

The TIPS [Foreign Direct Investment Tracker](#) monitors major projects on a quarterly basis, using published information. The total investment value from projects captured this quarter was R96.1 billion. Some of the projects captured in this quarter were announced at the 2022 South African Investment Conference.

Note on FDI projects announced at the 2022 Investment Conference

The fourth South African Investment Conference took place in March 2022, having been postponed in 2021. It garnered 80 pledges from foreign and local companies, totalling approximately R332 billion. Foreign investments were identified from 34 companies with commitments valued at just over R95 billion, as reflected in Table 2. As usual with this kind of investment conference, some of the pledges represent projects already in the pipeline, others are updates of existing projects, or they blend new and existing commitments. The full FDI Tracker will provide more detail.

Table 2. Investments announced by foreign companies at the 2022 Investment Conference

PROJECTS	COMPANY	VALUE (R BNS)	LOCATION	NATIONALITY	INDUSTRY
Manufacture of solar PV cells and modules	Seraphim New Energy	0.44	Eastern Cape	China	Manufacturing
Manufacturing facility (lithium battery modules)	Polarium	0.03	Western Cape	Sweden	Manufacturing
Textile manufacturing facility	Compagnie Mauricienne de Textile	0.39	KwaZulu-Natal	Mauritius	Manufacturing
Brewery production capacity expansion	South African Breweries	4.50	Eastern Cape	Belgium	Manufacturing
Burger King outlets	ECP Private Equity	0.50	Various	US	Retail
Food and confectionary manufacturing facility	Lotus Bakeries	0.17	Western Cape	Belgium	Manufacturing
Manufacturing expansion	BMW	0.80	Gauteng	Germany	Manufacturing
Daimler Trucks & Buses Southern Africa new headquarters	Daimler Trucks & Buses Southern Africa	0.19	Gauteng	Germany	Construction
Automotive components supply	Fromex Industries	0.10	Eastern Cape	Mexico	Services
Manufacturing expansion	Volkswagen	0.35	Eastern Cape	Germany	Manufacturing
Local operations capacity expansion	Anglo American	10	Various	UK	Mining
Platreef mine expansion	Ivanhoe Mines New Horizons	2.8	Limpopo	Canada	Mining
Triple Crown production expansion	Sedibelo Platinum Mines Kell Process	9.4	North West	Guernsey	Mining
Pharmaceuticals manufacturing	Cipla	0.15	KwaZulu-Natal	India	Manufacturing
Vaccine manufacturing	Pfizer	0.26	Western Cape	US	Manufacturing

PROJECTS	COMPANY	VALUE (R BNS)	LOCATION	NATIONALITY	INDUSTRY
Vaccine production campus	NantSA	3	Western Cape; Gauteng	US	Manufacturing
Healthcare educational software development	Siemens	0.48	Not reported	Germany	Services
Television production	Warner Media	0.35	Western Cape	US	Services
Television and film production	Netflix	0.93	Western Cape; Gauteng	US	Services
Manufacturing facility upgrade	PFNonwovens	0.65	Western Cape	Czechia	Manufacturing
Consolidated logistics facilities	DSV	2.2	Gauteng; Western Cape KwaZulu- Natal	Denmark	Services
Capital expenditure	Imperial Logistics	2.1	Not reported	Dubai	Services
Market expansion	DiDi	1.2	Not reported	China	Services
E-commerce service delivery	Airlift	0.30	Gauteng; Western Cape	Pakistan	Services
Data centre and power generation infrastructure	Teraco Data Environments	1.1	Various	US; UK	Services
Expanding business services	Sigma Connected	0.27	Western Cape	UK	Services
Manufacturing plant expansion	Procter & Gamble	0.45	Gauteng	US	Manufacturing
Packaging supplies manufacturing facility expansion	Huhtamaki	0.15	KwaZulu- Natal	Finland	Manufacturing
Glass container manufacturing facility	Ardagh Group (Consol)	1.5	Gauteng	Ireland	Manufacturing
Appliances and electronics production plant expansion	Defy	0.32	KwaZulu- Natal	Turkey	Manufacturing
Porcelain tile manufacturing plant	Royal	0.28	Gauteng	China	Manufacturing
Steel manufacturing facility	Hangda	0.30	Free State	China	Manufacturing
Aluminium and steel manufacturing	Velocity Ventures	0.47	Gauteng	UAE	Manufacturing
Collective French Investment (2022)	Various companies	50	Gauteng	France	Various
Tshwane Automotive SEZ	Tshwane Automotive SEZ	1.8	Gauteng	Various	Manufacturing

Source: Adapted from South Africa Investment Conference Announcements

Table 3 presents additional foreign investment projects that were not announced at the 2022 conference. The Tracker captured three such projects, but no values were disclosed. All the projects represent greenfield investment in the utilities and services industries. The Tracker also updates eight previously captured projects.

Table 3. FDI projects captured in Q1, 2022

	ANNOUNCED	PROGRESS
NUMBER OF PROJECTS	2	1
VALUE (R BNS)	Not reported	Not reported
INDUSTRY	2 Utilities	1 Services
TYPE	2 Greenfield	1 Greenfield
COMPANY	Total Eren/ Chariot Transitional Energy/ Tharisa Sedibelo Platinum Mines/ Juwi/ Sturdee Energy	Audi/ GridCars

Source: TIPS FDI Tracker database.

New and existing projects

Power

Pilanesberg Platinum Mines, a subsidiary of Sedibelo Platinum, plans to implement a renewable energy programme for the North West-based mine. The initiative comprises two projects. The first combines solar photovoltaic (PV) and wind systems to power the 40MW mine load through a wheeling arrangement from two separate sites, with the energy acquired through a Power Purchase Agreement (PPA). The second involves on-site construction of a 35MW solar plant for the direct provision of power. Sturdee Energy and Juwi will be joint developers on the project. Sturdee will act as the independent power producer while Juwi will be the engineering procurement construction contractor and the operations and management contractor.

Total Eren of France and UK-based Chariot Transitional Energy announced the signing of a memorandum of understanding with Tharisa Minerals to develop a solar PV power plant. The energy companies will develop, finance, build, own, operate and maintain the facility at Tharisa mine. The project is initially anticipated to be 40MW, with demand expected to increase over the life of the Tharisa mine in the North West. In the long term, the partners plan to implement a PPA for the supply of electricity.

Services

Audi has partnered with South Africa's GridCars to install ultra-fast charging station infrastructure across the country. Audi intends to invest in 70 new electric vehicle charge connectors across 33 sites. The facilities will be publically accessible. The charge points are expected to provide up to 150kW of direct current charge to electric vehicles. The partners have been installing the infrastructure since the end of 2021.

Updates

Total, Alston, Limagrain and Airliquide have completed a R20-billion combined investment announced at the 2019 South African Investment conference.

Ford has completed upgrades of the Silverton Assembly plant and key supplier facilities, modernising and expanding the facility for the production of the new Ford Ranger model. The estimated project value is US\$1.05 billion (R15.8 billion). Once the updated facility reaches full operation it will have the capacity to produce 200 000 vehicles annually, up from 168 000 before the upgrades.

Following a R1.2 billion investment announced in 2019, Isuzu has launched the seventh generation D-Max bakkie. Isuzu modernised the Eastern Cape Struandale plant, adding new

machinery and equipment, among other improvements, to manufacture the D-Max model. The plant also has new body shop and chassis assembly line.

Anglo American Platinum has started developing the Mototolo/Der Brochen expansion project in Limpopo. The investment aims to extend the life-of-mine by over 30 years. It will leverage existing Mototolo infrastructure and extend mining to the Der Brochen resource. The estimated investment value is R3.9 billion over six years.

Kumba Iron Ore, a subsidiary of Anglo American, is preparing to develop the Sishen ultrahigh dense-media separation project, valued at approximately R3.6 billion. The specialised technology separates ore and waste to improve beneficiation, extending the life of Kumba's Sishen mine, in the Northern Cape, to 2039.

Tharisa Minerals is commissioning the Vulcan chrome plant, which produces chrome concentrates from chrome ultrafines on large-scale. The technology will raise the level of chrome recovery at Tharisa from 65% to 82%. The value of the investment is US\$54.2 million (R882 million). Tharisa plans to start commercial production in the second quarter of 2022.

In 2020 Anglo American announced that Kumba will invest R7 billion in developing a new iron ore pit, the Kapstevél South pit. The project is underway at the Kolomela mine. Construction of workshops and other infrastructure is also in progress.

The first phase of expansion of Diamcor's Krone-Edora at Venetia mine has already been completed. This initial stage aims to increase processing volumes in the near-term, with new equipment and the expansion and upgrade of the diamond concentration system. Diamcor is rolling-out the project for an undisclosed sum.